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REPORT

OF

THE STUDY GROUP

ON

THE WELFARE OF THE WEAKER SECTIONS OF THE VILLAGE COMMUNITY

VOLUME I

108

MINISTRY OF COMMUNITY DEVELOPMENT AND CO-OPERATION
GOVERNMENT OF INDIA
NEW DELHI
OCTOBER 1961

My notion of democracy is that under it the weakest should have the same opportunity as the strongest.

M. K. Gandhi,

Harijan, May 18, 1948.

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INTRODUCTION

The Ministry of Community Development and Cooperation in their Notification No. 10(3)/60-Panch, dated the 8th December, 1960, appointed a Study Group with the following members:—

(1)	Shri Jayaprakash Narayan ..	Chairman
(2)	Shri Anna Saheb Sahasrabudhe ..	Member
(3)	Mrs. Sucheta Kripalani ..	"
(4)	Shri M. R. Krishna, M. P. ..	"
(5)	Shri Braj Raj Singh, M. P. ..	"
(6)	Shri B. Sivaraman, Chief Secretary Orissa, Bhubaneswar. ..	"
(7)	Shri L. M. Shrikant, Commissioner for Scheduled Castes and Scheduled Tribes ..	"
(8)	Shri R. Jagannathan, Director, Central Institute of Community Development, Mussoorie ..	Secretary.

2. *Terms of reference*:

Our terms of reference were:—

(a) To study how far and in what manner the Community Development Organisation and/or Panchayati Raj institutions at village, Block and Zila levels can promote the economic development and welfare of the weaker sections of the community.

(b) To suggest steps by which the development schemes of the Central and State Governments and Local Authorities and the financial assistance available can be effectively utilised for the benefit of the weaker sections of the community.

3. *Meetings held*:

Shri S. K. Dey, Minister for Community Development and Cooperation, inaugurated the Study Group on the 31st January, 1961. Thereafter we held 23 meetings. We finalised our Report on the 12th October, 1961.

4. *Questionnaire*:

In order to elicit information and views from persons, authorities and institutions concerned, we issued a Questionnaire to the following:—

(1) Development Commissioners of all State Governments and Union Territories.

(2) Regisrars of Cooperative Societies of all State Governments and Union Territories.

(3) Directors of Panchayats.

(4) Directors of Agriculture.

(5) Directors of Animal Husbandry.

(6) Directors of Fisheries.

(7) Directors of Industries.

(8) Directors of Education.

(9) Directors of Health Services.

(10) Directors of Social Welfare/Tribal Welfare/Harijan Welfare/Women's Welfare.

(11) Members of the Informal Consultative Committee.

We sent copies to other prominent persons and institutions who had knowledge and experience of the working of the Community Development Programme and also to some Pradhans and Pramukhs of Rajasthan, Andhra Pradesh, Madras, Mysore and Assam.

5. *Tours*:

The following tours were made by us:—

(1) Sarvodayapuram—meeting with the members of the Sarva Seva Sangh—18th April, 1961.

(i) Chairman.
(ii) Shri L. M. Shrikant.
(iii) Shri M. R. Krishna.
(iv) Shri R. Jagannathan.

(2) Assam, Tripura, and Manipur—visit to a few Tribal Blocks and discussion with officials—2nd to 7th June, 1961.

(i) Shri Braj Raj Singh.
(ii) Shri M. R. Krishna.

(3) Mussoorie—24th June to 8th July.

(i) Chairman.
(ii) Shri R. Jagannathan.

(4) Sujangarh (Rajasthan) from 17th to 20th August, 1961.

(i) Chairman.
(ii) Shri R. Jagannathan.

6. *Interviews*:

The following persons and representatives of organisations were interviewed by us:—

1. Shri V. T. Krishnamachari
2. Dr. D. Ensminger,
Chief of the Ford Foundation, New Delhi.

3. Shri Kaka-Saheb Kalelkar, M. P.
4. Shri U. N. Dhebar, Chairman, Scheduled Areas and Scheduled Tribes Commissions.
5. Shri Vaikunth L. Mehta, Chairman, K. & V. I. Commission.
6. Shri Balwant Rai Mehta, M. P.
7. Dr. P. S. Lokanathan, Director-General, National Council of Applied Economic Research.
8. Dr. V. K. R. V. Rao, Director, Institute of Economic Growth, University of Delhi, Delhi.
9. Prof. D. Ghosh, Chairman, Programme Evaluation Organisation, Planning Commission.
10. Shri G. Ramachandran, Secretary, Gandhi Smarak Nidhi, New Delhi.
11. Shri Mool Chand Jain, M. P.
12. Shri L. C. Jain, Association of Voluntary Agencies for Rural Development.
13. Prof. N. R. Malkani, M. P.
14. Shri Tarlok Singh, Addl. Secretary, Planning Commission.
15. Shri M. R. Bhide, Secretary, Ministry of Community Development and Cooperation.
16. Shri S. Chakravarti, Addl. Secretary and Shri B. D. Pande, Joint Secretary, Ministry of Community Development & Cooperation.
17. Shri K. V. Venkatachallam, Joint Secretary, Ministry of Commerce & Industry and Dr. P. C. Alexander, Development Commissioner, Small Scale Industries, Ministry of Commerce and Industry.
18. Shri N. S. Vasant, O.S.D., Ministry of Irrigation and Power for Rural Electrification.
19. Representatives of Akhil Bharat Sarva Seva Sangh.
20. Shri B. S. Murthy, Deputy Minister, Community Development and Cooperation.
21. Shri Jagjiwan Ram, Minister for Railways.
22. Shri N. S. Kajrolkar, Depressed Classes League, Bombay.
23. Shri Jhaverbhai Patel, Member, Khadi and Village Industries Commission.
24. Shri B. C. Kamble, M. P.
25. Shri Konda Lakshman Bapuji, Minister for Small-Scale Industries, Andhra Pradesh.
26. Shri M. P. Bhargava, Secretary, Cooperative Farming Advisory Board.

7. *Secretariat*:

The Headquarters of the Study Group was Delhi. This enabled us to obtain literature and other valuable information from the Ministry of Community Development and Cooperation and other Central Organisations, and also facilitated interviews and discussions.

8. *Acknowledgements*:

We desire to express our gratitude to all those who gave us their co-operation and replied to our Questionnaire or gave evidence before us. We would like to express our deep appreciation of the able assistance we have received throughout our work from Shri R. Jagannathan, the Member—Secretary. We also wish to express our appreciation of the services rendered by Shri Y. P. Rajput, Deputy Director (A.I.), Shri S. L. Batra, Senior Economic Investigator, and the other officers and staff of the Ministry of Community Development and Cooperation.

CHAPTER I

OBJECTIVES AND APPROACH

Human society, except in its most primitive stages, has always been a class society, with a ruling and exploiting class at the top and a large labouring and exploited class at the bottom. In India caste has been an additional factor that has further stratified, strengthened and sanctified the divisions of class.

1.2. At present, both in urban and rural areas of the country, the far larger part of the community is made up of the weaker sections. Even though the relevant data are not available, it may be confidently stated that in the rural areas the proportion of the weaker to the stronger sections is larger than in the urban areas. This Study Group has to confine itself to the rural sector.

1.3. Among the weaker sections, there are gradations, the weakest living on the very margins of human existence. The last among the weakest are the destitutes. The weakest sections together form no inconsiderable part of the entire weaker section of Indian society.

1.4. The term 'weak', with all its degrees, refers both to economic and social (caste, education, etc.) weakness. Most often both kinds of weakness go together, each kind re-inforcing the other. There are, however, considerable numbers of individual families among the socially advanced groups that are economically weak; even destitute.

1.5. The Study Group is clear in its mind that while all sections of the community must be helped to advance, special and urgent attention must be paid to those who are in the greatest need of help *i.e.* to the weakest sections. In Gandhiji's concept of *antyodaya* (the last first) we have a clear direction from the Father of Our Nation.

1.6. The causes of the weakness of the weak are deep, complex and varied. It was impossible for a group like ours to make any scientific study of the question. All we have been able to do is to touch upon a few aspects of it as they were brought out in replies to the Questionnaire and discussions with witnesses. One thing is absolutely clear, however, the uplift, welfare and emancipation of the weaker sections cannot be accomplished without a comprehensive non-violent, Social Revolution, encompassing all facets of Indian society. A distinguishing feature of the Indian revolution must be the destruction root and branch of the caste system, without which the bulk of the weaker sections can never come into their own. Even a more important feature should be—and it is necessary to emphasise here that owing to traditional concepts of revolution, it is over-looked—a psychological revolution among the economic, social and political elite. The rich, the high-caste and the powerful must show a greater sensitivity

towards the condition of their unfortunate brethren and be prepared to make the necessary sacrifices.

1.7. Obviously, it is beyond the scope of this Study Group to present a blue-print for such a revolution. But, it was necessary to put the problem in its larger perspective so that the necessarily limited recommendations that we make here are not held accountable for failing to usher in the Revolution.

1.8. As long as the present pattern of society and habits of thought remain, the fruits of development are bound to be most unevenly distributed, the weaker sections receiving the smallest portions. Nonetheless, it is possible, within fairly wide limits, so to organise and channel development activities that the weaker sections are able to benefit more than they have done so far. It was precisely this realization that led to the appointment of the Study Group.

1.9. In the course of our study, we have felt compelled to overstep our terms of reference which naturally were rather narrow in scope. We offer no apologies for that, because we felt that our recommendations would have little value unless we consider certain essential measures that, even though not requiring radical socio-economic changes, were yet of such a vital nature as to be absolutely necessary in the interest of the weaker sections. Among these are our recommendations regarding guaranteed employment in public works, cooperative land utilization, rural industrialization, extensive educational assistance and full utilization of Community Development funds for the weaker sections. We would like to emphasise that our recommendations, whether within or without the terms of reference, are parts of a consistent whole and should be taken together. The situation demands bold action and not mere tinkering. Unless radical steps are taken with courage and imagination, the picture is not likely to change much. There might be some relief given, some little amelioration achieve, but, by and large, the weaker will remain weaker.

1.10. In this introductory chapter it might be well to say a few words about the Third Plan. For the most part of the period during which the Group has functioned, it was only the Draft Plan that was before us. The Draft did not appear to have given much thought to the problems of the weaker sections. Towards the end, however, of our labours, when the report was being finalised, the Revised Plan came into our hands. The Plan in its present form is a marked improvement on the Draft, looking at it from the view-point of the weaker sections.

1.11. We have given earnest thought to the measures proposed in the Revised Plan that should work to the advantage of the weaker sections. We find that while they mark a considerable advance in the right direction they fall far short of the requirements, particularly in the most essential field of employment. The public works program, as we have pointed out latter, is halting and unimaginative and the problem of rural industrialisation, which more than any other single factor is necessary in order to create employment

and additional wealth in the countryside, has only begun to be grasped in its complex completeness. Further, by putting forward extraneous tests for judging the performance of Community Development, the Plan fails to pin-point the main responsibility of that program to achieve the welfare of the weaker sections. We deal with these and similar matters at the appropriate places in this report.

CHAPTER II

DEFINITION AND SIZE OF THE PROBLEM

Section 1. Who are the weaker sections?

The first question that arises is who are the weaker sections? How are they to be defined and indentified for the purpose of assistance? Various views have been put forward in reply to our questionnaire, and also during our discussions with individual witnesses. They amount to classification by occupation, social position, caste, income group, etc. It has been particularly stressed that caste is a stronger and unpleasant reality, and that permanent barriers have been built up in the status between caste and caste; and that to a large extent certain castes have been chronically weak economically also. Backwardness and weakness in these circumstances has, it has been urged, to be studied not only from the point of view of the individual and family, but also of the caste. As the situation improves, the importance given to caste may diminish and we come to a stage at which the family and not to caste would be the unit for consideration. In the long run, however everyone agrees that the goal should be equality of opportunity for all. In the meantime, it has to be ensured that nothing is said or done that would embitter the relations between the stronger and the weaker sections of the village community.

2.2. We have taken note of these views and have carefully examined the problem. In terms of its economic structure, the village community can be broadly classified as follows:—

(i) families who form the well-to-do section of the village community and those who have economic and land holdings;

(ii) families who have uneconomic land holdings;

(iii) landless agricultural labourers; other labourers;

(iv) village artisans and workers engaged on small crafts, fishermen, tanners, talis, potters, basket-makers etc.;

(v) groups forced by historical and other reasons to live in backward and unproductive regions and not adjusted to modern economic life such as Scheduled Tribes;

(vi) sections of the village community, such as Scheduled Castes, who on account of special circumstances are forced to engage themselves in hereditary occupations, which are not very remunerative and entail risks in matters of health and sanitation and who are also subjected to low social status, the 'lowliest and the lost';

(vii) sections who are weak economically though their social status may be high;

(viii) women;

(ix) nomadic tribes living on mendicancy, small trades, etc.;

(x) destitutes *e.g.* widows, orphans, old people, unemployed persons with no means of livelihood, physically handicapped, members of ex-criminal tribes, etc.;

2.3. We would broadly classify all except category (i) above as constituting the weaker section of the village community. In this context, we would like to mention that as the Schedule Areas and Scheduled Tribes Commission has gone into the problems of Scheduled Areas and Scheduled Tribes, we have not examined their special problems. This was in accordance with the advice given by the Ministry of Home Affairs.

Section 2. How large is the weaker section?

2.4. The next question is: what is the size of the weaker section? Let us analyse some facts. Prof. M. L. Dantwala has indicated the following basic facts about our village agrarian structure in his Presidential Address at the Annual Conference of the Indian Society of Agricultural Economies, 1960.

> "Reliable, uptodate statistics regarding land-holdings and tenurial status are not available. Some broad facts regarding the pattern of land ownership and use based on the N.S.S. Report on Land Holdings (1954-55) are given below. A little over one-fifth or rural households (23·90%) own no land. About one-fourth of the households have a small parcel of landless than one acre in area. A little less than half of the rural households have thus either no land or own less than one acre. Their aggregate share comes to 1.37 per cent. of the total land owned by rural households. At the upper end, about one-eighth (12.8%) of the households have more than 10 acres each, covering about two-thirds of the whole area. The top-most one per cent of the households owned more than 50 acres each and in the aggregate about 17·5 per cent of the total area".

2.5. As regards distribution of income in rural households, a study was made in some villages in Orissa by Dr. B. Misra, Prof. of Rural Economics, Utkal University, *vide* Conference Number of the Indian Journal of Agricultural Economics—January—March 1961. In all, 240 families from 50 villages were selected for investigation on the basis of stratified random sampling method. The table below gives the distribution of the annual income.

Income in Rs.			Number	Per cent
Upto	..	100	21	8.8
101	..	200	25	10.4
201	..	300	35	14·6
301	..	400	24	10.0
401	..	500	14	5.8
501	..	600	26	10.8
601	..	700	18	7·5
701	..	800	8	3·3
801	..	900	15	6.3
901	..	1000	9	3·7
1001	..	1250	15	6.3
1251	..	1500	6	2.5
1501	..	2000	10	4·2
above	..	2000	8	3·3
Not given			6	2.5
			240	100.0

2.6. It will be seen that about 80 per cent of the rural house-holds get an annual income of below Rs. 1,000. 50 per cent below Rs. 500 and about 19 per cent below Rs. 200.

2.7. Shrimati Meenakshi Malya, Research Officer, Agro-Economic Research Centre, University of Madras, also made an analysis of personal income distribution in rural areas based on data of families in nine South Indian villages, two each from Mysore, Andhra Pradesh and Kerala, and three from Madras State. It also shows that 80% of the rural households get an annual income of below Rs. 1,000 and 44% below Rs. 500.

2.8. In the light of the above findings the general economic position may be summed up as follows:—

(1) *Agrarian structure*

(i) About 20% of the rural households own no land;

(ii) About 25% have holdings of less than one acre.

(2) *Income structure*

About 45—50 per cent of the rural households have an annual income of less than Rs. 500 per annum, about 80 per cent less than Rs. 1,000 per annum.

Section 3. Evidence to show that the weaker section have not benefited sufficiently from the Community Development and other Programmes.

2.9. Next we would like to indicate the evidence showing that the weaker sections have not benefited sufficiently from the Community development programmes.

2.10. In their Resolution of the 7th December, 1956, constituting the Programme Evaluation Board, the Planning Commission stated that "It is of the utmost importance that social and economic changes should be analysed objectively as they occur, and the effects of economic development on different sections of rural population observed at first hand".

2.11. The observations of the P.E.O. on the subject are therefore significant. In the fourth Evaluation Report of the Programme Evaluation Organisation, Planning Commission, 1957, it is stated that:

"As regards the benefits of the programme for the economically handicapped classes and the extent of bridging of the distance between the better-off and the worse-off sections of the rural society, Programme Evaluation Officers' reports do not give room for optimism. There is wide disparity in the distribution of achievements and therefore, of the benefits of the programme ......

within a village it exists as between cultivators and non-cultivators, and within the cultivating classes it exists as between cultivators of bigger, holdings and larger financial resources and those of smaller holdings and less financial resources. This is a matter of serious concern not only in terms of social justice but also in terms of political consequences that may ensue in the context of the increasing awakening among the people. Advantanges from activities like the construction of approach roads, culverts, village lanes and drains are being utilised by persons belonging to these classes. Even in the field of drinking water wells, the under-privileged classes have benefited from the additional source of rural water supply constructed in the blocks. On the other hand, although schools, youth clubs, mahila mandals, etc. do not specifically exclude the participation by these classes, in actual practice due to their pre-occupation with the primary necessity of making a living, the boys from these families have not joined the schools or the youth clubs in any appreciable manner. Similarly, their womenfolk have also generally remained away from the mahila mandals and other activities sponsored under the women's programme. In addition to the economic reasons, their social backwardness resulting in a sense of inferiority complex has also prevented them from taking advantage of these facilities".

2.12. In its fifth Report the P.E.O.'s finding was as follows:—

"According to our enquiry, the Harijans and the backward classes have benefited alongwith others from the construction of village roads, the digging of drinking water wells and the setting up of village schools. The drinking water wells and still more the schools have been opened to them in the large majority of instances; while they have shared with others the convenience of better village roads. The instances in which they have been forced to give their labour or give more of it than others are few. But the programme's activity is, by and large, concentrated on cultivation, and in asmuch as Harijans and the Backward classes are either landless labourers or rely upon other occupations, they have not participated in the benefits of the programme".

2.13. Prof. S. C. Dube, in his book "India's Changing Villages" 1958, has the following observations on the subjects:—

"Although the ideal of the Community Development Project was to work for the many-side development of the entire community, from the foregoing account of its work in two villages it is clear that its significant and best organised activities were confined to the field of agricultural extension, and consequently the group of agriculturists benefited the most from them. A closer analysis of the agricultural extension work itself reveals that nearly 70 per cent of its benefits went to the elite

group and to the more affluent and influential agriculturists. The gains to poorer agriculturists were considerably smaller. Being suspicious of government officials they did not seek help from the Project as often. As this group had little influence in the village and outside, and was in no position to offer any material help in the furtherance of Project objectives, the officials largely ignored it".

2.14. The U.N. Community Development Evaluation Mission, 1959 which had also examined the working of Community Development in India agreed with the view that the C. D. programme should be applied in a uniform manner to all areas and should not accentuate the already existing economic differences between the relatively prosperous and depressed areas. They also observe that due attention has not been given to the needs of all those who form the village communities, and that certain new emphasis in village programmes are called for *e.g.* in general education, adult education, youth activities, village housing and replanning, women's programmes and health improvement.

2.15. The Report of the Second Enquiry on Agricultural Labour in India 1960, examined the conditions of agricultural labourers. Its finding is that there has not been any improvement in the economic condition of this class. It is stated in the Report that "the landless agricultural labour households in 1956-57 accounted for 57 per cent of all agricultural labour households as against 50 per cent in 1950-51, and that the proportion of landless households as also attached-labour households was slightly higher in Community Project Areas than in non-community project areas". The report also adds that at the All-India level the average wage-paid employment of agricultural labour has shown a slight decline from 200 days in 1950-51 to 197 in 1956-57 for adult men.

2.16. As regards the annual *per capita* income of agricultural labourers, there has been, according to the Report, a deterioration in the position. It was Rs. 104/- in 1950-51 and it was 99.4 in 1956-57. (We are aware that this statement has not been accepted by Government who, however, have made no claim that there has been an improvement in the position.) The average size of the household in 1956-57 was 4·4 as against 4·3 in 1950-51. The national *per capita* income of agricultural labour household was about 34 per cent of the national income *per capita.*

2.17. The Planning Commission had asked the Ministry of Labour to find out the comparative position of employment, wages and earnings, and the levels of living of agricultural labourers in the Community Project Areas *vis-a-vis* other areas. The finding was that there was hardly any improvement in employment in the Community project areas. Wage employment both for casual men and women labourers was relatively a little less in the C. P. areas. If at all it indicated any trend, it would seem to suggest a little less scope for wage employment in agriculture, presumably due to the intensive utilisation of family labour and mutual help by landholders. The

conclusions reached by the Enquiry is that "the scope for hired employment in agriculture is very much limited due to growing population pressure on land and, among other things, to sub-division and fragmentation of holdings, employment of family labour and prevalence of mutual help among landholders." The Report, however, makes a cautious observation at the end: "Several changes of far reaching character have taken place during the period under review by way of various land reform measures, improvements introduced through the Community Development and National Extension Schemes, etc. It is, however, to early during the second enquiry (1956-57) to assess the impact of these changes on the employment situation of agricultural labourers. The effect of these changes would be discernible only after they have been in force over a reasonably long period".

2.18. The following observations of the State Evaluation Committee, Punjab, 1960 on the working of the Community Development Programme in that State are significant:

> "The poor and backward sections of the Community had not accepted the programme as their own, as their problems had not been given priority and adequate attention. The economic and social conditions of Harijans and other backward sections of our society in the majority of villages had not shown any improvement. Participation of Harijans with other groups in Community Centres, Young Farmers Clubs and Stri Sabhas is one of the indices of the reduction of social barriers. In theory, though these centres were open to Harijans, very few of them were actually participating. Similarly the percentage of Harijan students in schools had not increased to the desired extent. A satisfactory solution of problems of unemployment and under-employment in the rural areas had not been found and steady sources of income for the landless poor or for small cultivators had not been suggested. Theoretically, cottage industry is the answer, but in practice, the problem has been to find a village industry suited to the genius of the people and which will also have a ready market. Industrial training centres were no doubt started in several blocks but the trainees, who were provided neither the equipment nor the finances to pursue it for their living, could not follow it up. The Committee therefore noted that there was a significant failure of community development in the promotion of cottage industries".

2.19. In their Report on the Third Five Year Plan, the Planning Commission observe as follows:

> "From time to time evaluation reports on the Community Development Programme have drawn attention to the fact that the benefits did not reach the less-privileged sections of the village community in adequate measures. Recent studies report a degree of improvement in this

respect .... The welfare of the weaker sections is closely related to that of the village community as a whole, and in a sense a large part of the village community consists of those who may be described as being economically weak The main weaknesses of the present village economy are low income, low productivity and lack of continuous employment. Without the rural economy as a whole growing rapidly enough, it is difficult to solve the problem either of the community in the village or of its weaker sections. The essential aim must be to bring about a more productive agricultural economy and a larger range of non-agricultural occupations in the village so as to increase production and employment and at the same time much greater attention should be given in all activities to the needs of the less privileged sections".

2.20. We agree that the general development of the rural economy is a *necessary* condition for the improvement of the weaker section. It is not however, a *sufficient* condition; the income of the rural economy as a whole may increase, but the weaker section may not share in the increase, directly or indirectly. For example, the assistance extended to cultivation may be given in such a manner that the small cultivator and the tenant are not able to take advantage of it. Cooperative societies still use lands as the collateral for loans and discriminate against small proprietors and tenants. Again, output per acre in cultivation may rise, but that may be due to methods, *e.g.* bi-chemical, that do not call for much larger use of labour. Moreover, the farmer may spend his larger income on industrial goods produced in towns and cities. As regards the promotion of non-agricultural occupations in the village, the provision made in the Third Five-Year Plan for Village and Small Scale Industries *viz.*, Rs.264/- crores is only about one-seventh of the provision of Rs. 1808 crores for the large industries in the public sector. This is hardly adequate as the rural population is about four time the urban population. Finally, the weaker section may expand in size faster than the village economy, with the result that the income of its average member will decline inspite of increasing demand for the service of the group as a whole.

2.21. Something like this must have taken place in our country in recent years. Between 1951 and 1958 the wages and the income per family of the agricultural labourers declined inspite of a 30% rise in agricultural output; the overall development of agricultural did not improve the condition of the weaker section. It is, therefore, necessary, in the interest of the weaker section, to do something more than promote the general prosperity of the rural economy; steps have to be taken to see that the section gets its proper share of the general improvement.

Section 4. Reasons for economic backwardness.

2.22. We have gone into the reasons for the continuance of chronic economic backwardness of the weaker sections. From the replies to the questionnaire and detailed discussions with individual witnesses we are led to conclude that the basic cause is the social

order resulting from the caste system, the feudal type of economic structure, and the continued imbalance between population and resources. The following factors, as accentuating the problem, are indentifiable:

Social

(1) Illiteracy, lack of education and initiative, poor health, expensive social customs.

(2) Lack of family planning.

(3) Traditional social barriers and caste inhibitions.

(4) General lack of a sense of human dignity.

Economic—

(i) Lack of secure and continuous employment.
(ii) Exploitation by big land-owners as well as moneylenders.
(iii) Uneconomic holdings and low return on agriculture.
(iv) Low wages for the landless labourer.
(v) Lack of opportunity and facilities for the development of agro-industries and other industries.
(vi) Low productivity of traditional crafts and obsolete tools.
(vii) The nature of the terrain occupied by the people, the way of life of the people, the difficulty for various development plans to reach them because of lack of means of communication, education, etc.

Ideological—

(1) A cult of idleness resulting from a misunderstanding of the philosophy of non-attachment to worldly goods.

(2) Fatalistic belief that their lot cannot be improved consequently no ambition to earn or to grow economically better.

(3) Refusal to profit fully from modern science and technology.

2.23. We believe that the problem of backwardness is deep rooted and cannot be met by short-term solutions. It should be attacked on both fronts—social and economic.

Section 5. "*Means test*" *for assisting weaker sections*

2.24. Having clarified the definition and size of the problem we now take up the question of how individuals and families constituting the weaker sections should be assisted in respect of the several development schemes that are in operation. As an initial step we are led to suggest what may be called a "means Test". For this purpose, we would suggest a general formula, that families whose income is less than, say Rs. 1000/—a year would cover cases of chronic economic backwardness. Next, we would suggest, following Gandhiji's concept of "Antyodaya" that within this low income

classification, priority of assistance should be given to those families whose income is less than Rs. 500/- a year. We are convinced that a beginning should be made from the lowest rung of the ladder. Lastly, we would regard that families whose income is less than Rs. 250/- per annum should be regarded as destitutes. They should be taken care of in first instance by suitable welfare measures which should be the responsibility of or routed through the Panchayati Raj institutions. These institutions should be assisted by suitable grants-in-aid by the State.

2.25. A suggestion has been made to us by one of the witnesses that the test should be not the family's annual income but the *per capita* income, *i.e.* family income divided by the number of family members. Such a test, no doubt, would define the weakness in more precise terms and take into account the variations in the strength of individual families. We do not know whether it would be possible to adopt it in actual practice; if it is, we would recommend it for consideration as more scientific.

2.26. We would like to add here that the income levels suggested are to be treated as general norms, and should be revised for zones and areas where the general standard of living itself is low. In regard to categories also, the suggestions are to be treated as broad categories which each state government and local authority will have to examine and adopt, alter or modify according to the needs and conditions of the area. The norms and categories should also be examined periodically, say every five years, with a view to revision or modification.

2.27. In this context we have carefully considered the question of caste. In the Forty-eighth Report, the Estimates Committee of the Lok Sabha state that "weaker sections of society should be defined and criteria for special assistance laid down on the basis of economic status and educational and social backwardness. This would result in larger sections of society passing out of the category requiring special assistance and enable them to attain special equality, while safeguarding the interests of those who are still in need of such special assistance. A large proportion of those requiring such special assistance would continue to come from the Scheduled Castes and Scheduled Tribes and other Backward Classes for some years to come, while not debarring deserving cases from other sections of society. Progressive emancipation from economic backwardness should help the people belonging to Scheduled Castes and Scheduled Tribes to overcome their social backwardness".

2.28. No doubt, this would be the rational view to take. It has, however, been forcefully put to us that as the communities specified as Scheduled Castes and Scheduled Tribes are known to the weakest sections of the village community, it would be idle to apply a means test to them and subject them to the irksome procedure of approaching the authorities concerned for obtaining a certificate of income. They may all be presumed to satisfy the test even though an infinitesimal proportion of them may be on a higher income level than is prescribed for assistance. Also, we have no information about the

actual proportion of well-to-do persons especially in rural areas among the Scheduled Tribes and Scheduled Castes. We would, therefore, regard the entire Scheduled Castes and Scheduled Tribes as forming part of the weaker sections, and, as such, deserving assistance.

CHAPTER III

MINIMAL REQUIREMENTS FOR THE WELFARE OF THE WEAKER SECTIONS

Having defined the problem and indicated its nature and size and without venturing upon revolutionary programs, we have to consider ways and means to secure the utmost possible welfare of the weaker sections.

3.1. Our terms of reference require us:

(a) to study how far and in what manner the Community Development Organisation and/or Panchayati Raj institutions at the village, block and zila levels can promote the economic development and welfare of the weaker sections; and

(b) to suggest steps by which the development schemes of the Central and State Governments and of the Local Authorities and the financial assistance available can be effectively utilised for the benefit of the weaker sections of the community.

3.2. These terms rather limit the scope of our study. In the succeeding Chapters we have dealt with these matters in some detail and made specific recommendations. In this Chapter we wish to go beyond these terms and consider the question of welfare in a more general manner, without regard to schematic or other development budgets, and pin-point the minimal requirements of human welfare.

3.3. It is undisputed that the minimal elements of welfare are (a) food (including drinking water), (b) clothing, (c) housing (d) education, (e) health. In the peculiar conditions of Indian Society and in order to assure every one of a modicum of human dignity, welfare must also include freedom from social disabilities (such as untouchability and caste restrictions) and protection from at least, the more glaring forms of economic exploitation. Further in view of the prevalence of certain wasteful and evil habits and customs, welfare should also require the reform and eradication of the latter.

3.4 It should be the responsibility of the State (from the village panchayat upwards to the Central Government) and society at large to secure to every citizen the above minimal elements of welfare. The previous Chapter has shown the wide chasm that yawns between ideal and reality. The chasm has to be filled up soon if India has to survive.

3.5. In order to obtain the essentials of life for himself and his family, a person (or the family as a whole) must be in a position to

earn a steady and adequate income. The main cause of their economic weakness is that the weaker sections do not find themselves in this position.

3.6 As the last Chapter made it clear, the weaker sections of the rural community are made up mostly of (a) petty cultivators, (b) agricultural and other labourers, and (c) artisans. Their main corresponding sources of income are, and must continue to be, (i) agriculture, (ii) labour and (iii) crafts and industries. The present position in regard to all of these is that they neither offer full and steady employment nor sufficient income. Apart from other considerations, the economic well-being of the weaker sections demands that these sources of income be as fully and rapidly developed as possible.

3.7 This is a vast and difficult subject and it is beyond our competence to deal with it adequately. But we would be failing in our duty if we did not discuss them briefly from the point of view of the welfare of the weaker sections. We shall deal with each separately.

Section 1. *Agriculture*

3.8 Development of agriculture is very rightly considered to be one of the first priorities of national development. We have to look at it here from the point of view of the weaker sections. There is a view that general development of agriculture, like development in general, would be bound *eventually* to help the weaker sections. While this is no doubt true, it cannot be over-looked that with the existing patterns of tenancy and land-holdings and the survival of feudal relationships in the rural sector, the benefits of a general development of agriculture would accrue largely and more directly to the middle and large cultivators. The petty cultivators own little pieces of generally poor quality of land, and schemes of land improvement do not either extend to them or lead to comparable returns from them. Even where all other factors are equal, the very fact that the petty farmers have dward holdings causes a grossly unequal distribution of the benefit of agricultural development.

3.9. Turning to labour, it has been found that agricultural improvement produces rather mixed results for them. Extension of irrigation, particularly when it leads to the lengthening of the agricultural season, does add to the number of working days, and thus creates more employment for both the farmer and labourer. But it has been found that intensive methods of farming do not necessarily create more employment opportunities for labour because (a) the farmer and his family come to devote more time and labour to the farm, and (b) the improved methods tend to cut out wasteful operations. The rise in moneywages consequent upon agricultural development is also not reflected in real wages owing to rising prices.

3.10. We have dealt with labour and industries in other Chapters. Here it would suffice to make a few observations regarding land reforms, because it would take us for a field to go deeper into the

question. The reforms that have been instituted since Independence have failed to do justice to the petty cultivators, or pull them out of economic depression or to resuscitate agriculture. The plots they possess continue to be diminutive, consisting more often than not of marginal land. Farming in this situation neither affords them full employment nor sufficient income even for subsistence living. At the same time, they being tied up to their miserable plots condemns them to uncertain seasonal labour.

3.11. That is not all. The crazy-quilt pattern of cultivation makes it well-nigh impossible to improve and rationalise agriculture to any appreciable degree. Whatever little improvement is possible, does in the very nature of things, benefit the bigger landowners far more than the petty-holders.

3.12. Thus the petty holdings, which are far greater in number are responsible for keeping both agriculture and the majority of the cultivators in a chronically depressed condition. We have here an obstinate socio-economic disease that calls for a radical remedy. Palliatives have failed and are not likely to succeed in the future. We are firmly of the view that unless a cure is found for this central disease of rural society, neither rural development, nor the welfare of the rural poor can be achieved.

3.13. The obvious remedy, of course, is to give more land to the petty cultivators. This, as every one knows, is impossible. There is just not enough land to go around. What then can be the remedy?

3.14. One remedy might be to rationalise all the land-holdings in the village and create viable, economic units (in the sense of their being large enough to yield to the farmer a minimum living income) and distribute them to the comparatively more efficient farmers and drive away the rest to the slums of the industrial areas.

3.15. It will be readily agreed, we hope, that the remedy will be worse than the disease. It will particularly be hard on the weaker sections for whose benefit it is proposed. There is no possibility of the vast army of dispossessed peasants being absorbed in industry. Industry of that scale does not exist, nor can be created all of a sudden. The result would be that the weaker sections would sink lower into the abyss of misery.

3.16. Looked at from the point of view of the "larger" cultivators also the situation calls for no less a radical remedy. Tenancy and ceiling legislations have gradually led to the break-up of large holdings. Those that exist would also be gradually broken up in the course of the natural process of inheritance. Sickness of Indian agriculture would grow more serious as time passes.

3.17. Cooperative joint farming of the type we have recommended in our Chapter on Cooperation does provide an answer—but not a complete one. However, the growth of such cooperation is lamentably slow and it is feared that the patient might die before the treament began.

3.18. In this situation it seems to us that Vinobaji's *gramdan* movement might point the way. Gramdan is voluntary villagization

or communisation of land. As a voluntary movement it has received almost universal support. Also as a laboratory experiment, it has proved to be considerable success.

3.19. We are persuaded that village ownership and management of land is the only complete answer to the problems of our agriculture at once from the point of view of social justice and of development of agriculture and preparing favourable conditions for rural industrialisation. We would therefore, like to make the following two recommendations in that connection:—

(a) One of the objectives of Community Development is "to develop a spirit of community life among the people by promoting cooperation and mutual sharing, leading ultimately to voluntary community ownership of the basic means of production, such as land ..." This objective has not received the attention from the C. D. Organisation and its non-official collaborators and supporters as it deserved. We, therefore, recommend that encouragement and promotion of common ownership of land be taken up as a prominent part of the educative and reorientation work of the Organisation and all its ancillary bodies.

(b) The C. D. Ministry should institute a scientific study of a suitable program of villagization of land by legislation as a means both of social justice and agricultural and industrial development.

3.20. Being a Study Group set up by a Government department, it does not fall within our purview to make any recommendation to non-official bodies. But if we may be pardoned for it, we would like to say that the three political parties, namely, the Congress, the P. S. P. and the C. P. I. that participated in the famous Gramdan Conference at Yelwal near Mysore in 1957 might give more attention both to the voluntary movement as well as to the possibility of legislation after creating the necessary public opinion.

Section 2. Public Works

3.21. Perhaps there is no other program than that of public works that can give to the weaker sections the quickest and widest possible relief. All other programs will take time to mature and bear fruit; public works can immediately provide employment on a nation-wise scale.

3.22. The importance of public works has always been recognised, but for some reason, what has been achieved so far is utterly inadequate to meet the needs. Failure to undertake this program on the required scale would have been understandable had its utility been limited only to providing employment. But if public works are properly chosen and executed, some of them such as land reclamation and minor irrigation works, become productive soon; and others help to preserve and augment valuable national resources, such as soil, water, woods, forests. Thus public works lead to the growth of social capital in the countryside that can become a valuable reproductive

base for rural industrialisation. The following illustrations of such works might be given:—

(a) land reclamation;

(b) contour bunding and soil conservation;

(c) water conservation and its efficient utilisation (very little attention has so far been given to this task; yet as Dr. Ensminger has pointed out in his reply, it is of as great importance to our country as soil conservation and utilisation);

(d) irrigation works and flood control, mostly involving earth work;

(e) afforestation and tree planting;

(f) road building;

(g) public and institutional buildings.

This whole program should be taken up on the basis of relief work and as far as possible, executed on contract system through labour cooperatives. The cooperative and Panchayati Raj movements have a great role to play here.

3.23. The task of finding work for members of the community who have to live from hand to mouth so that their children must go hungry tomorrow if they did not work today, must receive the first and highest priority and not be left to the general processes of economic growth to solve in due time. It is a responsibility that a civilised government cannot shirk. This matter should be dealt with exactly on the same footing as famine relief, which is never made to wait upon the planned paces of development. For these persons it is famine every day if they have no work. The most drastic measures and sacrifices would be justified in order to give food to the hungry. And in this case, work is food for them.

3.24. We, therefore, recommend, with every emphasis at our command, that Government should undertake and make a declaration to that effect—to guarantee employment to every citizen who is prepared, and fit, to do manual labour.

3.25. Such guarantee and declaration, we feel, would work a psychological transformation and lift up the pall of despair and discouragement that overshadows millions of Indian homes. It might, indeed, prove to be the spark to kindle the energies of a somnolent giant.

3.26. We note with satisfaction that the revised Third Plan does make a sizable provision for such an employment program. But we are afraid that the approach to the program is unimaginative and fails to take into account the vital aspect of the possible psychological break-through the heart of the problem of mass apathy and loss of confidence. The usual process of pilot projects, evaluation and phased execution might suit normal development plans, but where action of the type of a military or a famine-relief operation

is called for, it might produce a dampening, rather than an up-lifting, effect. When development at the ground level is so slow and inconspicuous anything that creates a stir and catches the imagination, and kindles hopes has an over-riding value. It would be a great pity to throw away such an opportunity.

3.27. Quite conceivable, not all the unemployed in the rural area would rush to take advantage of the proposed guarantee, because the caste system and other factors might stand in the way. But the fact that employment was available and no one need starve, should be sufficient to electrify the rural atmosphere.

3.28. No doubt, it would require time to organise the program. But when war comes or a natural calamity occurs, people do not sit down to prepare pilot projects and phased programmes. We propose that we do the same on the unemployment front. The constitution guarantees the *right to work* to every citizen. Let the citizen know that the moment has come for him to exercise his right. The only condition is that he should be prepared to work with his hands.

3.29. The Third Plan might mean various things to various people. For the common men let it mean *employment here and now.*

3.30. We should like to point out that the advent of Panchayati Raj and the recent development of Cooperation have made the organisational problem much simpler than only a few years ago.

Section 3—Rural Industries

3.31. It should be obvious to any one who has given the least thought to the question that rural industrialisation, more than any thing else, is the supreme requirement both for pulling the rural economy out of the morass it has fallen into, as also for raising the standard of living of the economically and socially weak. It should be rated higher than agriculture, because though agricultural development is necessary for industrial growth, there is a limit to its growth and to the pace of it. Industrialisation, on the other hand—whether rural or urban—is capable of rapid and large expansion.

3.32. It is regrettable, therefore, that industrialisation of the rural areas has not yet received the attention it deserves. The total effect upon the country-side of 14 years of industrial development since Swaraj and 10 years of planning has been almost negligible both from the point of view of (a) creating employment, (b) adding to the wealth of the rural communities, and raising the standard of living, particularly of the economically and socially backward sections that make up the bulk of the rural population.

3.33. 82.3 per cent of the people of India live in the country-side. That means that about the same percentage of the voters are also villagers. In a democracy it should be the well-being of this overwhelming majority of the people that should receive the first priority. In actual fact the opposite seems to have happened. Commenting on the trend of industrialisation disclosed in the Second Plan, Prof. Gadgil writes in his paper, "An Approach to Indian

Planning", which he has kindly sent us: "The result of continued operation of present trends will be unrestrained growth of metropolitan centres, continued disintegration of rural communities and stagnancy in many agricultural areas and buoyancy and rapid growth in industries producing luxury or semi-luxury goods". We would like to take the liberty here of commending the whole paper, with the approach and basic thinking of which we find ourselves in complete agreement.

3.34. There seem, at present, to be two contradictory processes in motion: on the one side is the effort to develop the rural communities; on the other, present industrial development is preparing for their disintegration. On the one hand, again, a bold attempt is being made to accomplish political decentralisation; on the other, there is a growing trend towards "concentration of capital resources and economic power in a small number of hands" (Gadgil, opt. cit.)

3.35. If all the factors of the Indian situation are taken into account, such as the huge population, the exploding rate of population growth, heavy and increasing pressure, on land, low productivity of agriculture, vast unemployment and under-employment, etc., industrialisation of the rural areas would seem to be the only remedy. No amount of urban industrialisation is going to affect appreciably the economic conditions in the country-side, at any rate, not for a long time to come. While the rate of urbanisation is fairly fast, it is not fast enough to provide gainful employment in the urban areas for the entire surplus rural population. Also the under-employment that is forced upon the cultivator owing to the seasonal nature of agriculture which in turn is due to lack of adequate irrigation, cannot be remedied by urban industrial growth.

3.36. Rural industrialisation means an even spread of industries throughout the country-side. Further, rural industrialisation is not to be conceived of as being limited to what are termed as "rural industries" or merely to the processing industries. There can and should be an unlimited variety of industries established in the rural areas, transforming as rapidly as possible the purely rural communities of today into properly balanced agro-industrial and urbo-rural communities. Rural industrialisation should thus open up a vast avenue of all-sided development.

3.37. Rural industrialisation must come out of the soil, asit were, and be organically related to the area concerned. For this, the concept of planning should undergo a radical change. In this connection we commend the Notes on Indian Development Problems, prepared for the Gandhian Institute of Studies (Varanasi) by Mr. E. F. Schumacher, a leading British economist and presently Economic Adviser to the British National Coal Board.

3.38. As we have just said that development must be of an organic nature. For instance, it should not mean an invasion of the rural sector by urban capital for the exploitation of its resources and markets. The necessary capital for that development should come out of the rural areas themselves in the shape mainly of cooperative

shares. Outside capital—which, of course, would be greatly needed—should come in the form of loans and subsidies from Government and the banks to cooperative and community enterprises.* Here we would like to support the suggestion of Mr. Schumacher that the interest and amortisation payments for loans should not flow back to the Government but allowed to accumulate in the locality as "counter-part funds", available as a revolving fund for further use.

3.39. Further, rural industrialisation should not mean the setting up of an industry that is entirely unrelated to the resources and needs of the area concerned. Rather, it should aim at full and efficient utilisation of rural resources and satisfaction of rural needs as far as possible.

3.40. It should also be clear that rural industries must be small in scale and widely spread over. They must also aim at maintaining a balance between employment and productivity; that is to say, aim at providing employment to the largest number of people and at the same time be productive enough to maintain the persons employed at rising standards of living. An industry that does not yield for the worker—hired or self-employed at least a minimum living income is not an industry proper; it is merely a relief operation.

3.41. Rural industries must be given adequate protection from urban industries, and appropriate ways must be discovered to that end. In our view, subsidies and rebates are not so appropriate. We would recommend that wherever possible, fields and lines of production should be reserved for rural industries, failing which common production programmes should be laid down. Mr. Schumacher has suggested turn-over and transportation taxes. This and other appropriate measures should be considered.

3.42. In this connection, it should be obvious that Government must assist rural industries by providing for the necessary social over-heads, such as roads, water supply, power, etc. Assistance should also be provided in respect of supply of raw materials and marketing.

3.43. A serious programme of rural industrialisation should give the highest priority to research in small-machine technology, with a view both to improve the traditional tools and techniques and leads to inventions and innovations.

3.44. Such a programme should further give serious attention to radically transforming rural education so as to make it a fit instrument for rural industrialisation and development.

3.45. Rural industrialisation, as such, will be of immense benefit to the weaker sections. But there are certain rural industries that are of direct benefit to them. Leather bamboo, processing of agricultural produce, fibre, pottery, tiles, forest products are a few

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*Community enterprises are those enterprises that are set up and owned by Village Panchayats, Panchayat Samities and Zila Parishads.

examples. In the interest of the weaker sections, their development should receive the highest priority.

3.46. Finally, we would like to point out that at present there happens to be no single authority at any level whose particular responsibility it is to think, study, plan and act on behalf of rural industries. There are no doubt different agencies working in their allocated spheres, but there is no integrated approach to the problem. It must be emphasised, however, that rural industrialisation has to be viewed as a single integrated programme and not be dealt with piece-meal by separate agencies, even though these might "coordinate" their activities. We recommend therefore the creation (out of the existing bodies, or by establishing a new one) of a single, comprehensive Authority, with the necessary powers and resources and charged with the responsibility of rapidly industrialising the rural areas.

3.47. Before leaving this subject, we would like to make two final observations:

One, we commend the "Notes on the Problem of Rural Industrialisation" (See Appendix) sent to us by the Sarva Seva Sangh. These "Notes" were submitted recently by representatives of the Sangh to the Planning Commission as a basis for discussion.

Two, the Revised Third Plan, while marking some advance in regard to this problem, falls far short of the needs of the situation. We do not think the Planning Commission has yet been able to make the comprehensive approach to the problem as required and as out-lined above and in the Notes of the Sarva Seva Sangh. We are afraid, therefore, that even at the end of the Third Plan, the rural areas would not be much better economically than they are today—both in the matter of employment and standards of living. We urge, accordingly, that the Government of India and the Planning Commission give urgent and fresh attention to the problem and take adequate steps to remedy the situation.

NOTES
ON
THE PROBLEM OF RURAL INDUSTRIALISATION

1. It is time to take stock of the situation. The total effect upon the country-side of 14 years of industrial development since Swaraj and 10 years of planning has been almost negligible both from the point of view of (a) creating employment, (b) adding to the wealth of the rural communities, and raising the standard of living, particularly of the economically and socially backward sections that make up the bulk of the rural population.

2. 82.3% of the people of India live in the country-side. That means that about the same percentage of the voters are also villagers. In a democracy it should be the well-being of this overwhelming majority of the people that should receive the first priorities. In actual fact the opposite seems to have happened.

3. Considering all the factor of the Indian situation (huge population, terriffic rate of population growth, heavy pressure on land, low productivity of agriculture, vast unemployment and underemployment, etc.) industrialisation of the rural areas is the only remedy.

4. Industrialisation is commonly associated with urban centres and urban life. In India no amount of urban industrialisation, however, is going to affect appreciably the economic conditions in the country-side.

5. Rural industrialisation should not be confused with setting up a few large industries in the rural areas. Rural industrialisation must mean an even spread of industries throughout the country-side all over the country.

6. Nor should rural industrialisation be limited to mean what at present are termed as "rural industries" or to only agricultural industries, such as the processing of agricultural commodities. There can and should be infinite variety of industries established in rural areas.

Rural industrialisation would have to be based on two factors: (a) local resources, both human and material and (b) local needs. "Local" does not mean a single village, it might mean a village, a group of villages, a block, or a district—depending upon the nature of the industry and the technology used.

8. The raw materials for rural industries should be mainly obtained from the locality around, but in part they might come

from the cities, such as iron and steel for agricultural and craftsman's implements and building equipments as nails, nuts, hinges etc.

9. In the same manner rural industries must be meant primarily to meet local needs but in part they must supply the urban areas.

10. Rural industries should be so devised that they meet the needs both of full-time and all season employment as well as of part-time and seasonal employment.

11. There are to be no pre-conceived limitations or inhibitions of a doctrinaire or sentimental type in regard to such matters as the use of power and technology. The only concern should be (a) to maintain a balance between employment and efficiency and (b) to preserve and nurture certain social values as those of political and economic self-government; minimising, if not eradicating, economic exploitation; promoting economic and social equality; preservation and development of the producers' personality, etc.

12. The aim and total long-term effect of rural industrialisation should be to convert the present lop-sided purely agricultural communities into balanced agro-industrial communities.

13. Conceived in this manner rural industrialisation opens up a vast and wide vista, of all-round development, some of the implications of which may be mentioned below.

14. Rural education must undergo a radical transformation and must provide the trained technical and managerial personnel required. This would require far-reaching educational planning. Rural industrialisation is from one point of view a process of educational and cultural development.

15. The concept and process of planning will have to be adjusted to the process of rural industrialisation. Regional socio-economic surveys of resources and needs and planning their dove-tailing should be an important part of the planning process. For this an average size district might be considered as a unit of planning, with blocks and villages as integrated sub-units.

16. The problems of power, technology (including research), transport, etc. would have to be considered; and adjustments between powered and power-less areas of the country devised.

17. In view of the accepted aims of social and economic justice, private profit interests should not be allowed as far as possible, to exploit the field of rural industry and commerce. A well planned approach might create a rural industrial and commercial sector that would be prodominantly socialist in character.

18. The extremely important question of providing protection to the rural industries from the competition of urban industries will have to be tackled.

19. The appropriate agencies at the ground level will have to carry through the programme of rural industrialisation will have to be carefully considered. Among them the chief should be cooperatives and panchayat institutions, such as gram panchayats, panchayat samities and zila parishads and such registered societies as the present khadi institutions.

20. Appropriate agencies as higher levels, such as the district, State and Centre shall have to be considered. The present fragmented and piece-meal approach to rural industrialisation, through different boards and commission each with a limited scope, will have to be replaced by an integrated and comprehensive one, taking into account all the points listed above and others that might arise on a deeper study of the matter.

21. Paragraph 26 on page 437 of the Revised Third Plan marks a considerable advance on previous thinking in this regard, but it does not go far enough.

22. It is suggested that the question be taken up in a more comprehensive manner now and it be dealt with in two ways: (a) working out the program on all-India basis; and (b) carrying out pilot projects of all-round rural industrialisations in selected areas.

Section 4. Housing and drinking water

3.48. The weaker sections, partly because of their poverty and partly because of the social disabilities under which they labour, are the worst sufferers in the matter of housing. In many cases their houses are no more than hovels, unfit for human habitation, in which man and beast must find shelter together.

3.49. Due to the feudal system that existed till lately and still persists in many ways, though abolished in law, vast numbers of the weaker sections, particularly of the agricultural labouring class, are liable to be evicted any moment from their homes because they have either no right in the land on which their huts stand or are too weak to defend that right. Sometimes when they are bold enough to do so, their oppressors so contrive that the use of every inch of ground outside their huts is denied to them, putting them to endless trouble.

3.50. We would emphasise, therefore, that the first step should be to allot, with full proprietary rights (except the right to alienate) a house site to every family falling within the category of weaker sections, beginning from the weakest. The site should be large enough to leave room for a small vegetable plot, chicken coup and animal stall.

3.51. Something has already been done to provide housing to poorer sections of the village. But much more needs to be done and more vigorously.

In this connection it might be pointed out that if the program of rural industrialization were taken up in right earnest, the demand for urban housing would decrease, thus releasing large resources to be applied to the housing of the rural poor.

3.52. A few suggestions might be offered here.

First, this housing program might create an opportunity for re-planning of the village, or at least, of a part of it. This opportunity should be creatively used.

Second, we would warn against fanciful house plans, prepared without taking into account requirements of the people concerned and their way of life. There should be no rigidity in the plans. It is not uncommon to find newly-built housing colonies remaining un-inhabited by the people for whom they were meant.

Third, as far as possible, local materials should be used in constructing these houses and the prospective dwellers encouraged to participate in the construction. If possible, housing cooperatives of the individuals concerned should be formed and loans and materials supplied to them. The agency of private contractors should be avoided.

3.53. We have added the item of drinking water to that of housing, because they go together. As is well known, great numbers of

the weaker sections, particularly Harijans and Adivasis, do not have easy access to drinking water supply. In numerous places, they have to walk for miles to fetch a pitcherful of water, and more often than not it is impure ditch or nala water. This is a shameful state of affairs and must be ended without delay. The drinking water well or hand-pump program should be stepped up to the fullest extent. We note that this has been accepted in the Third Five-year Plan as one of the minimum essential amenities to be provided in all villages.

We are given to understand that in some States assistance for well-construction is conditional on the beneficiaries providing a suitable plot of land. More often than not, Harijan families do not have any such land. We feel strongly that, where drinking water is concerned, no conditions should stand in the way of its supply, and it should be the duty of the State (again counting the Panchayati Raj Institutions) to see that a source of pure drinking water supply is within the easy reach of every one in the rural area.

Section 5. Education

3.54. It might truly be said that the weaker sections are weak because they lack education. Equally truly might it be said that they lack education because they are weak. This is the kind of vicious circle in which millions of our backward and poor countrymen find themselves.

3.55. This vicious circle must be broken. The only way to do it is to give the children of these classes all possible manner of educational assistance. Through the Education, and particularly the Harijan and Tribal Welfare Departments and such voluntary agencies as the Adimjati Sevak Sangh and the Harijan Sewak Sangh much of this work is being actually done. But the "vast undone" is overwhelming.

3.56. This is not the place to speak of the system, content and equality of education being imparted at present in this country. Perhaps in a fast expanding field like education, quality is bound to suffer. Be that as it may; the point we wish to make here is that the whole field of *rural* education must be re-examined and the content and direction of it suitably altered, not in the pursuit of any abstract principles of education, but in order to relate it to the practical needs of that whole gigantic endeavour towards rural development and regeneration of rural life in general that is in progress and is being further planned. The pragmatic aim of rural education should be to produce young persons fitted to participate creatively in the material and cultural reconstruction of rural India.

A parenthetic remark might be made here, namely, that this type of education would be less likely (a) to accentuate educated unemployment, (b) to be cause of cultural and intellectual drain of the rural communities.

3.57. To return to the subject of educational assistance, we recommend the following:—

(1) Subject to a "means test" free education up to the Higher Secondary stage;

(2) Subject to a "means test", free board and lodging in mixed hostels for students up to the Higher Secondary stage;

(3) Scholarships for higher education subject to competence qualification;

(4) Mid-day meals for all children in the primary classes;

(5) Free dress, slates, pencials and books for pupils of the primary classes from the weaker sections.

For the reasons explained in Chapter II, the means test should not be applied to pupils belonging to Scheduled Castes and Scheduled Tribes.

3.58 This program of assistance might appear to be so heavy a burden that no State Government under present conditions might be in a position to bear. But this whole burden need not be borne by the State Government alone. The school after Swaraj is no longer an institution set up by 'government' sitting somewhere above on which rests the sole responsibility of looking after it. The school is a part of the people, an institution not of an abstract government but of the concrete community. The school has to integrate to itself now with the community. Its teachers and students must participate in the communal activities—in transplanting, harvesting and tree-planting, composting, manufacturing, dramatics, sports, festivals, adult education etc. Further, as observed earlier education itself must be so oriented as to answer to the requirements of rural development and regeneration. When such an organic and symbiotic relationship is established between the school and the community, it would be natural for the community to think of the school as being its rightful responsibility. In that situation the community—in other words, those members of it who are in a position to do so—would gladly take the responsibility for supplying to *their* school the grain, milk, qud and other articles, necessary for the mid-day meals and the free boarding in the hostels, as seems evident from the response in Madras, Andhra Pradesh, Orissa, Assam to such programs of school improvement. Cooperative societies and rural industries might contribute towards purchase of books, scholarships, etc.

3.59. The Village Panchayats and Panchayat Samitis have a heavy and vital responsibility in this respect. The Primary Schools should, in fact, be the responsibility of the *Panchayats* and the Secondary Schools of the Samitis.

Section 6. Health

3.60. In respect of health services the weaker sections are perhaps even worse served than in that of education. In the latter field, while something is already being done, in the sphere of health there is very little or nothing being done at all.

3.61. Health, in present conditions, is very largely a matter of hygiene, food, drink and people's prejudices and superstitions. In this respect a health program becomes a program of social education, economic development, village sanitation, pure drinking water supply, dietetics, malaria and epidemic control, child care and maternity services. If attention is paid to these, the need for medical services proper and of medicines would be considerably reduced. We would, therefore, press strongly that the health programme of community development should concentrate more on these matters than on hospitals and doctors. Maternity services and education in child care should receive more attention than hitherto.

3.62. In this connection, particularly in the matter of hygience, sanitation, superstitions and dietetics, therural schools have a vital role to play. Unfortunately, very little attention has so far been given to this aspect of the matter. It will be difficult to change the habits of the older generation, but the young can be easily educated in the art of better living. The first step, of course, is to give orientation courses to the teachers and to make the schools themselves models of clean and healthy living. At present, most rural schools have no sanitary arrangements, or, if they have, they are utterly filthy.

3.63. Coming to medical services proper, the situation is rather confused on account of the simultaneous presence of different systems of medicines. We do not wish to enter into this controversial world, but we do wish to urge that simple, traditional herbs that have been proved to be medically sound should as far as possible be integrated with the practice of modern medicine in the rural areas. So also would we recommend the adoption of simple naturopathic treatments and social education in that behalf.

3.64. In regard to hospitals, there should be a well-equipped base hospital at the head quarters of every block with a competent doctor and staff and a number of in-door beds. In addition, there should be a number of health centres, serviced by mobile teams from the base at least twice a week. Each centre should serve its surrounding area within a radius of two to three miles. The aim should be that no one who is in need of medical attention should have to go without it.

3.65. We are aware that something on these lines is already being attempted by the State Governments, but we are still far from the position of giving medical succour to every ailing person in the countryside. Maternity services are poor and child care is in the merest infancy.

Shortage of doctors

3.66. Many rural hospitals work without qualified doctors, because the latter are reluctant to live in the countryside. One way of overcoming the shortage of doctors in rural areas would be to obtain a bond from all students who are admitted to Government Medical Institutions that they would, if required, serve in rural areas for a period of at least 2 years after their graduation. (A similar step

may be followed in regard to overcoming shortages in regard to other technical personnel). We would also recommend grant of rural allowance to all doctors in charge of primary health centres.

Rural medical practitioners are sometimes found to be charging exorbitant fees, particularly in times of epidemics. Steps should be taken to prevent that. One way of doing so would be to form a Health Committee in every block, with a few representatives of the local practitioners, the block doctors, and a few members of the Block Development Committees. Where Panchayat Samitis exist, the Health Committee of the Samiti should, of course, take the place of this Committee. It should be the job of this Committee to keep an eye on the practitioners and deal with complaints of the citizens. Pressure of public opinion and vigilance by such a Committee as proposed should ordinarily be enough to keep a check on any one's undue avarice.

3.67. In this connection, we would like to suggest further that, as in the case of education, so in the case of illness the village community should be educated to feel its responsibility towards the medical care of those who might be indigent, disabled to work orphans, etc. For this purpose, every village panchayat, through voluntary contributions. should create a fund with which to assist such helpless persons in times of illness.

3.68. We would like to make another suggestion here. In view of the fact that State Health Services are likely to remain inadequate for a considerable period—even if the pattern above recommended were established everywhere—as also with the view to further the basic aim of people's self-government and self-reliance, voluntary as well as State agencies should encourage and help the people to form their own Health Societies. These societies might be formed entirely on the initiative of private citizens or on that of the Panchayati Raj institutions. The State Government should assist these societies on a half-and-half basis. Membership fees of such societies might be graded according to the economic position of the individuals concerned. We feel that the existing and operation of these societies should exercise a healthy influence upon the State Medical Services and private practitioners.

There are already a number of such health societies functioning in different parts of the country. We do not have much information about them, but we suggest that they might be studied with a view to prepare a model scheme in this behalf.

3.69. In the case of serious illness requiring better-equipped hospitals, more competent doctors, complicated surgical operations, etc., the situation is extremely difficult. Here even the well-to-do section of the community have to face serious difficulties, such as high doctors' fees, shortage of competent doctors, high cost of pathological, X-ray and other examinations, short supply of hospital beds, etc. In such a situation, with the best of will, only limited assistance can be given to the weaker sections. The real remedy is to remove the shortages but that is bound to take time.

3.70. In the meanwhile, considerable relief could be given to poor patients if the administration of hospitals were improved and the numerous malpractices stopped. If social workers—not employees of the States, but belonging to voluntary social service organisations—were prepared and allowed by the administration to assist the patients and see that they are properly looked after, the lot of the poor might improve somewhat.

3.71. There is a general public complaint that State doctors are inclined to neglect the non-paying patients and take far greater interest in their private practice and nursing homes. It is the job of the Medical Association, the Medical Colleges, as well as the government, to instil in the minds of the doctors greater sense of humanity and responsibility.

The growth of voluntary health societies, as mentioned above, might be one hopeful direction in which the solution of this problem might be found.

Section 7. Protection from Economic Exploitation

3.72. The measures suggested in Sections 1 to 4 above would go a long way, we believe, in protecting the weaker sections from exploitation. As agricultural development, public works programs and rural industrialization strengthen the economic position of these classes, as they themselves become more conscious of their rights, as education spreads, as Panchayati Raj develops, as the better-off-members of the community realise their responsibilities towards their less fortunate brethren, these classes will slowly be able to straighten their backs.

3.73. The weaker sections, including others also than the tenants and labourers, such as petty craftsmen, petty cultivators, etc., suffer from another virulent form of economic exploitation at the hands of money-lenders and traders. Sometimes this exploitation is due to illiteracy and lack of knowledge. Growth of education, including adult education, might help in that regard. But the only effective manner in which this evil can be fought is by organising and extending as fast as possible cooperative credit, production and marketing. The cooperative movement has here a great challenge to meet.

Section 8. Freedom from Social Disabilities

3.74. It is not all the weaker sections that suffer from social disabilities. The latter are rather the badge of caste—a sign of "lower" birth and hence of inferior rights. The Harijans are the worst sufferers in this regard.

Unfortunately, this is a sphere in which legislation and administration cannot accomplish very much. Basically it is a matter of how people think, what their values are. It is a sphere in which religion and custom have sway.

3.75. Fortunately there are enlightened social movements endeavouring to change people's beliefs and attitudes. The greater impetus that Gandhiji and other social reformers gave to this process still has considerable power. Western ideals of human equality are

also exercising their influence. Movements for religious reformation are making their own contribution. Spread of education and industrialization are also playing their part. The wronged people themselves are awakening and raising their protest. But, in spite of all this, the hydra-headed monster is still alive and vigorous. The conscience of the Hindu community has yet to be aroused. There is no quick nostrum, however, no short-cut to the goal. The efforts being made should be redoubled and more determined.

3.76. As far as State policy is concerned, the necessary legislation has already been enacted. Close attention should be paid to its implementation. Administrators at every level must be alert in this regard and never cease to be aware of the bitter fact that millions are made to suffer everyday in this manner. School teachers at orientation courses should be impressed with the necessity of inculcating in their students the values of human equality. In all the three bodies of Panchayati Raj, there should be committees to deal with questions relating to the scheduled castes (and tribes, where they exist). These committees should exercise vigilance in respect of social disabilities also.

3.77. We need hardly point out that the economic and administrative measures suggested in earlier sections can go far in mitigating—even though indirectly—the social disabilities of the backward and depressed peoples.

3.78. In conclusion, we would like to single out one class of our fellow-citizens, namely the scavengers, for whom, we strongly feel, something must urgently be done. It is a matter of utter shame and disgrace that a class of people, because of their caste, should be condemned to the filthiest job in the world. It is a deep blot on Indian society that it should force human beings to carry night-soil on their head.

3.79. This state of affairs must change forthwith; and whatever might happen to the pernicious caste system, the caste of scavengers must immediately be emancipated. For this, among other things, we suggest (a) that head-carrying of night-soil should be prohibited by law, and further that any municipality or notified area which, after due notice, continues the practice should be severely fined; and (b) old latrines should be converted as soon as possible into sceptic flush latrines and no new house should be permitted to be built unless it provides for a sceptic latrine. The necessary financial assistance to individuals and muncipalities should be provided as a measure or urgent national development.

3.80. It might appear incongrous that in a general discussion of social disabilities we should singleout and lay stress upon the plight of scavengers. We have done so deliberately because that plight illustrates and pin-points, as nothing else does, the pervading callousness and lack of human sensitivity in all of us—the public and government alike. The modest reforms that we have suggested will be come little evidence of the awakening of our social conscience.

Section 9. Reform and Prevention of Wasteful and Ruinous Habits and Customs

3.81. In spite of the utter poverty of the weaker sections, they are given to a variety of wasteful and ruinous habits and customs. These are like holes in their dining plate that drain off much of the food that hard labour earns for them. Unless these holes are plugged, enhanced incomes will not mean any rise in their standard of living.

3.82 Most of these customs, such as wasteful expenditure on marriage, death and religious ceremonies, are social in nature, which neither law, nor administration can do much about. Even in cases, such as in that of marriage where laws have been enacted to control certain evils, the result has been utterly disappointing. Nor does strict enforcement of the law seem to be feasible. This is a sphere in which social education and enlightenment alone can supply the real remedy. Unfortunately, the deplorable example that most of the well-to-do and educated classes are setting in this regard is exercising an unhealthy influence upon the weaker sections. This makes the task of reform doubly difficult.

3.83. The largest single wasteful habit of these persons, however, is that of drink. It wastes their substance in more senses than one. Here, fortunately, along with social education, government also can play a big part. Past experience has established that in rural areas, wherever prohibition has been introduced, it has led to the betterment of the economic position of the poor and backward classes. State policy in regard to prohibition, therefore, should be carried out with greater vigour and efficiency in the entire rural area of the country. Prohibition should be preceded and accompanied by an imaginative campaign and education in the evil results of drink. Official and non-official agencies should both join their talents and resources to wage this campaign effectively.

3.84. The institutions of Panchayati Raj, particularly the Gram Panchayats and Panchayat Samitis, have a great role to play in social education in all these matters and in giving appropriate leadership to the village communities.

CHAPTER—IV

BLOCK PROGRAMS AND FUNDS

Section 1. *Concept of Community Development and the Weaker Sections*

4.1. Nine years ago the Community Development program was introduced into the country, based on the principle that the villagers' problem is *one* problem to be solved as a whole, not a series of little problems to be attacked piecemeal. The following passages from the Planning Commission's letter No. P.C. (P) |3|52, dated January 12, 1952, make this clear:

"The importance of intensive area projects in which activities in different fields of development are closely integrated with one another has been stressed by the Planning Commission in the Draft Outline of the Five-Year Plan. It is now increasingly recognised that while increase of agricultural production must remain the central objective, agricultural development has to be conceived as part of the wider process of rural development. The problems of rural community development have to be attacked simultaneously from several directions and there has to be the fullest cooperation among the various agencies set up by the Government as also between these agencies and the people".

4.2. The importance of the above statement of policy is obvious. The community development program in this country has been conceived and is being implemented chiefly as an intensive area development program based on a multipurpose approach. It is beyond doubt a vital program with important achievements to its credit. At best, however, it has been bi-focal, one focus being the block, and the other the comparatively progressive and well-to-do villager responsive to benefical change. The several shifts and changes that it has undergone from time to time have not materially altered the basic fact that it is tending to progress more as an ordinary development programme rather than as a community development programme. The distinction is crucial. Peter Du Sautoy in his book on "Community Development in Ghana" makes the point that "community development is a professional and technical term and must never be confused with ordinary development, of which it is a part but not the whole. It is by the self-help factor that the distinction can be most easily seen". The definition adopted by the United Nations is that "community development is the process by which the efforts of the people themselves are united with those of government authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation and to enable them to contribute fully to national progress". There would appear, therefore, to be some divided thinking in regard to

the term 'community development' in the Indian program, though factors of self-help and people's participation have also been emphasised from its start.

4.3. This was inevitable to a large extent because the program was proclaimed as the rural dimension of India's development planning, and was from the beginning, hitched to a block budget in which substantial funds were allotted alike for administrative and development items like minor irrigation (issue of loans on security), rural electrification, staff expenditure, block headquarters, staff quarters, staff expenditure for primary health centres, etc., as well as for community participation items like soil conservation, contour bunding, drinking water supply, drainage, sanitation, community centres, literacy classes, cultural and recreation programs, youth clubs, mahila mandals, etc. Provision was also made for extension work and demonstration of improved practices in Agricultural and Animal Husbandry. The result has been a medley of activities carried out with varying degrees of efficiency, and which made little impact on the core of the problem. A craze for spectacular results and piling up physical achievements and the evils of targetism have unfortunately been to the fore. The introduction of Panchayati Raj institutions by itself will not, we are afraid, correct the position. The Panchayat Samiti, for instance, will be responsible for planning and administering a program of development for the block as a whole and it will be in charge of three categories of funds, *viz.* funds available from the schematic budget, funds allotted to it by various development departments for specific schemes, and funds available through other sources, *e.g.* grants-in-aid, taxes, etc. In their pre-occupation with administering a large program of area development, it is not unlikely that the focus on Community Development may again get distorted.

4.4. We find that this point has been recognised by the Planning Commission, but the latter too has not emanicipated itself from the fault of bi-focalism. In the following passage for instance, the Third Five Year Plan emphasizes the true character of community development "much greater attention should be given in all activities to the needs of the less-privileged sections. In the efforts which have been made over the past three years to secure greater coordination between the community development and gramdan movements, their common objectives have been emphasised. These include the acceptance by the village community of the responsibility for the welfare, employment and livelihood of all its members. This is of the greatest importance from the point of view of the weaker sections in the village. Other measures which the block organisation can take to the immediate advantage of the weaker sections of the population are to increase subsidiary employment in the villages, raise the productivity of village industries and of village artisans, organise labour cooperatives and promote the fullest possible utilisation of manpower resources in the area". But much of this emphasis is whittled down by the statement in another place in the Third Five-Year Plan that "the growth of agricultural production is of such critical importance that, in the immediate context of the Third Plan, the principal test to be met by the community development movement must be its

practical effectiveness as an agricultural extension agency". We do not accept this view. The true test in our view is the success of the C. D. programme in activising and mobilising the community to help itself.

4.5. The point that we would like to emphasise, therefore, is that community development should be regarded not only a *means* but also as the *end*. The C. D. programme, as well as the funds allotted to it in the schematic budget should, therefore, have a single focus, *viz.* developing the village community by creating community spirit and initiative. The magnitude of the task will be apparent when one realises that what is needed is a radical social change, change from a hierarchical society based on an inherited status to a democratic society based on individual and cooperative achievement.

4.6. The agency for effecting this great change will be Panchayati Raj institutions. Since the weaker sections form the bulk of the population in our villages, it should be made clear by social education and, if necessary, by legislative and administrative measures, that the improvement of the condition of the economically weaker sections of the village community is their responsibility. It would be for Panchayati Raj institutions to devise suitable machinery and design appropriate schemes to achieve this end. The improvement of the economic condition of the weaker sections cannot be brought about by the efforts of the weaker sections alone. The community as a whole should cooperate in this endeavour and it is necessary to reorient the outlook of the well-to-do sections of the community who have a distinct role to play in view of their better social, cultural and economic condition.

Section 2: Suggested alterations in the Community Development schematic budget.

4.7. We consider that as the block has now been accepted as the unit of planning and development and the Panchayat Samiti will be responsible for planning, integrating and executing all schemes of the Five Year Plan, which are to be implemented on a block-wise basis, there is no longer any valid reason for a community development block schematic budget comprising individual allocations subjectwise, even to serve as a guide. Many of the rigidities noticed in the earlier years of the program have been relaxed, and a wide delegation of powers to State Governments has been made. But these, we find, have been insufficiently transmitted to district and block levels, with the result that in many states, irksome restrictions on diversions and re-appropriations of allotments to different subject-heads still exist and impede progress and efficiency. We consider that the next step by way of fuller decentralisation may now be safely taken.

4.8. We accordingly recommend that community development funds be divided only into three broad categories, *viz.*

Keeping in mind the national priorities laid down in the Third Five Year Plan, the funds under grants and loans should, as a rule, be devoted only to schemes involving community participation specially benefiting the weaker sections, besides extension work including demonstration. Schemes to give financial benefit to individual well-to-do farmers should be discouraged. (There are several other departmental funds available at the Block level to meet this need). Where the nature of the scheme is such that only individual assistance could be given, it should be given to members of the weaker sections, starting with families having an annual income of less than Rs. 500|-, with priority to those belonging to scheduled castes and scheduled tribes. In short, Panchayat Samitis should be seized of the responsibility for preparing and executing schemes designed to secure

(a) full employment to the under-employed and unemployed in the villages;

(b) the minimum essential requirements of the weaker sections by way of social services and welfare.

4.9. Incidentally, we would like to make one suggestion. We note that the loan funds of Rs. 4 lakhs include Rs. 1 lakh for staff quarters and rural housing. We consider that funds for staff quarters, which are no doubt necessary, should not form part of the funds provided for community development. They should be proyided for from other sources. We would suggest, for instance, that arrangements be made for State Governments to obtain the necessary funds as loan from the Life Insurance Corporation for this purpose.

4.10. An illustrative list of suitable subject heads relating to 'community development' is given below. This will have to be modified and supplemented by Panchayat Samitis in the light of local conditions and requirements.

I. Agriculture and Land Development—

(1) Agricultural Extension Work and Demonstration;

(2) Schemes involving local community participation, *e.g.*

(a) Reclamation

(b) Soil conservation

(c) Contour bunding

(d) Irrigation tanks, embankments, drainage, channels

(e) Flood protection

(f) Wells, tube wells, pumping sets, cooperatively owned or intended for common use

(g) Other schemes in which idle manpower in rural areas could be utilised

(h) Labour cooperatives

(i) Afforestation

II. Animal Husbandry, Poultry development and fisheries

(a) Extension work and demonstration

(b) Milk-supply schemes

(c) Schemes supplementing departmental schemes.

III. Health and Rural Sanitation

(a) Drinking water wells; hand pumps

(b) Sanitary latrines and urinals in schools and community centres

(c) Pucca drains and soakage pits

(d) Promption of smokeless chulas

(e) Pavement of village lanes.

IV. Education

(a) Provision of mid-day meal

(b) Provision of books and equipment to children of weaker sections

(c) School building and equipment.

V. Social Education

(a) Literacy classes

(b) Community centres, reading rooms and libraries

(c) Youth activities.

VI. Communications

(a) Kutcha roads

(b) Culverts and drains

(c) Kankar or gravel surfacing

VII. Rural Industrialisation

(a) Training of artisans

(b) Cluster-type training centres

(c) Supply of improved tools

(d) Grants to industrial cooperatives in respect of technical and management staff.

(e) Loans to trained artisans and craftsmen

(f) Worksheds for artisans and craftsmen in villages.

VIII. Programme for women and children

(a) Balwadis

(b) Adult literacy centres

(c) Mahila mandals

(d) Economic programs, tailoring, poultry-keeping, bee-keeping, vegetable gardening, etc.

(e) Home economics, care of cattle, training in reducing domestic drudgery

(f) Family planning and infant care

(g) Enrolment of girls in schools

IX. Rural Housing.

(a) Allotment of free house-sites to landless agricultural labourers

(b) Loan and subsidy for construction.

4.11. In this connection, we have carefully examined the question of reserving a portion of the Community Development funds for the benefit of the Weaker sections. Different suggestions have been received by us, some for reserving percentages, say from 20 to 50 and also giving a certain weightage, say 5 per cent of the total funds, and some against any reservation at all. In view of the fact that the weaker sections, as defined by us, namely families having an annual income of less than Rs. 1,000, form about 80 per cent of the village community, we are definitely of the opinion that the funds under Community Development should, as a rule, be devoted to schemes specially designed for their benefit. We, therefore, do not favour earmarking any specific proportion of funds for their benefit. We also believe that such earmarking will again lead to the evils of targetism.

4.12. We consider that in order to achieve uniform development in all the blocks, it would be desirable to give a further measure of assistance to specially backward areas and in areas or blocks where there is a larger concentration of economically weaker sections. We would, therefore, suggest that a specified amount, say Rs. 10,000 (loan Rs. 5,000 and grants-in-aid Rs. 5,000) should be pooled from each block and kept as a reserve or equalisation fund at the district. The Zila Parishad could examine the position of each such backward area and allot supplementary funds from this reserve.

4.13. Another suggestion that we would like to make consequential on decentralisation of authority is for removing the uncertainty in the Panchayat Samiti's mind as to the quantum of funds which it is likely to get year to year from the Community Development budget. As the Community Development budget is a five-year budget, it would, we think help if the Panchayat Samiti is given power to spend without waiting for annual budgetary sanction from State head quarters up to a ceiling of one-fifth of its five-year allocation of Block loans and grants every year and to adjust the expenditure towards the termination of Stage I or II as the case may be. Without such certainty, the block Samiti's initiative for planned effort is dimmed for a certain period every year until annual budget allotments are received from the State head quarters months after the commencement of the financial year, even though some *ad hoc* arrangements operate in the States for incurring expenditure such allotment.

Section 3: Suggested alterations in the utilisation of other developmental funds.

4.14. We note that at the National Conference on Community Development held at Mysore in July 1959, it was agreed that "both in block and village plans the primary emphasis should be on activities which involve the fuller use of local resources, specially manpower. Programs for social services will be largely determined by the provisions of district and state plans". This is in furtherance of the accepted idea of treating the block as a unit of planning and development. "The advantage of this integrated and multipurpose approach" the U.N. Mission point out is that it can include

people and their surroundings in a total comprehensive program and plan. It is obvious, therefore, that Community Development program must fit into, be served by, and contribute to the service programs of several other Ministries and Departments besides those of the Ministry of Community Development".

4.15. Had this process been followed, the position in regard to departmental schemes would be simpler. This planning process has not, however, been followed except to a limited extent in preparing the Third Five Year Plan. In the Report on the Third Five Year Plan it is stated that "although efforts were made in several States to prepare block plans specially in agriculture, in the main, the plans of States have been prepared independently of local plans. The inference to be drawn from this is that much more effort will be needed before local plans can become a distinctive stage in the initial preparation of a Five Year Plan. In the present context of the Third Plan as formulated, what is important is that local plans should be *worked out as a means for the more effective implementation of the State Plan*". In this situation, it is meaningless to describe the Block as a "Unit of planning".

4.16. We consider that planning effort at the Panchayat and the Block level should be the basis for the Five Year Plans and that until it materialises, it is difficult to assess the value of departmental plans to the weaker sections as the chief emphasis would be on achieving the predetermined targets in the State Plan. Except what is contained in the P.E.O's report 1956, which is now rather out of date, we have no definite information about the quantum of other departmental funds available to each block. There seems to be a wide variation in this, from year to year, block to block, and from State to State, though we under-stand that Rajasthan and Andhra Pradesh have attempted to fix a scale of resources for each block.

4.17. In this connection, we examined the following suggestions made by the Conference of State Ministers of Community Development held on the 9th December, 1960.

"1. Special funds earmarked for backward classes, scheduled castes and scheduled tribes, must be channelled through the Panchayat Samiti and the Panchayat, but must be exclusively used for the welfare of these backward classes".

"2. In addition, Panchayat Samitis should earmark an adequate percentage of their own funds for the uplift of the economically weaker sections of the community."

4.18. We entirely agree with the first recommendation.

4.19. As regards the second, there are several departmental schemes which are executed on blockwise and village basis and funds are allotted to Panchayat Samitis for the purpose. Secondly, the Panchayat Samitis have their own funds made up of shares from the land revenue, local taxes, grants under local development works, etc. We take it that the term "their own funds" includes both the

categories. As regards departmental schemes, there is again a wide variety. There are, for instance, agricultural and land development schemes financed from G.M.F. and other allotments. Similarly, there are schemes under the Animal Husbandry, Fisheries, Health, Education and Industries Departments. There are also funds that are available to the block, though at present the schemes are not executed by the block agency, from various Commissions and Boards, *e.g.* All India Khadi & Village Industries Commission, Handloom Board, Central Social Welfare Board, etc. It would not be appropriate to lay down a rigid policy in regard to all these schemes as they are intended to follow certain national priorities and achieve certain predetermined targets. Also, funds are in most cases tied up with specific schemes. But, what could be done is that—

(i) in regard to loan-funds for productive schemes in Agriculture, Irrigation, Animal Husbandry, Fisheries and Small Scale and Village Industries, the rules for the grant of loans and subsidies should be liberalised in favour of the weaker sections, and they should be given priority in the allotment of funds. Also the quantum of aid given should be equal to the requirements of the productive purposes for which they need the aid. In most cases, it is insufficient and the poor farmers are driven to the money-lender for the balance. We would also recommend that the requirement of two sureties may be dispensed with where the scheme for which the loan is sought is part of the accepted village production plan.

(ii) In regard to the grants relating to social services schemes, the bulk of them should be applied for the benefit of the weaker sections. We would observe here that in the Third Five Year Plan, certain minimum amenities have been indicated as essential for every village *viz.* drinking water supply, school, and road communication from the village to the nearest main road or railhead. These minimum amenities should be made available, as first priority, especially in the areas occupied by the scheduled castes and other weaker sections in the village.

(iii) The actual deployment of funds and drawing up of suitable schemes should be left to Panchayat Samitis.

(iv) Provision for rural housing should be utilised exclusively for the weaker sections.

(v) As regards Local Development Works, the bulk of these should be applied to areas occupied by the weaker sections allowing such special reduction in the scale of people's contribution as may be decided by the Panchayat Samitis concerned.

4.20. We have examined in consultation with a few Development Commissioners whether there are special schemes which would be

of help in the uplift of the weaker sections of the community, particularly those who are in the lowest rung of the ladder. As a result, we consider the following schemes suitable for them: Details of schemes and specific financial implications thereof may, we suggest, be worked out by the respective technical officers of the deparments concerned.

(1) *Irrigation and Land Development*

Attempts may be made to bring together lands of the weaker sections of the community in one block by exchange with other owners through consolidation processes. Thereafter, a high rate of subsidy may be paid to the weaker sections for digging irrigation wells; each well will irrigate land of more than one person, as ordinarily the weaker sections have very small holdings. In the alternative, Panchayats may assume the obligation of providing irrigation wells and recover the cost in easy instalments from the cultivators. The same procedure may be followed in regard to reclaiming and developing the marginal holdings of the weaker sections. In the preparation of village production plans, the problems of the cultivators of marginal holdings should be studied and specific programs prepared for helping them. Where landless labourer is resettled on land, a subsistence allowance should also be given to him until the first crop is harvested and he is able to stand on his own. Demonstration of improved agricultural practices should, as far as possible, be taken up in lands belonging to the small cultivators. Loss, if any, should be reimbursed to the cultivators.

The small cultivators should be encouraged to take up horticulture and vegetable cultivation in their homestead lands.

(2) *Milk Supply Schemes*

A deliberate effort should be made to link agricultural labour with the schemes for milk production and distribution. This is feasible particularly in the rural areas which are proposed to be linked with urban markets through Government sponsored milk production and distribution programs. We suggest that at least 25 per cent of the plan outlay provided for developing milk and poultry production in rural areas should be utilised for the benefit of the landless agricultural labour.

(3) *Poultry Development Schemes*

What is required is a short period of training in modern methods of poultry-keeping on a wide scale, so that a large number of persons can be trained; supply of improved variety of cocks for upgrading local birds, poultry feed at subsidised rates, and help from the block organisation for marketing eggs. In this context, our attention was drawn to the Expanded Nutrition Program in Orissa and of the opportunity it is giving to village women to play a positive role in Community Development.

(4) *Development of Piggery*

Many families among the weaker sections of the community would take to this occupation if sufficient help were given. What is required is supply of improved types of animals and also supply of

pig feed at subsidised rates in the initial period. If necessary, help will have to be given through the block organisation in marketing the produce.

(5) *Literacy*

A literacy campaign aimed especially at the weaker sections of the community should be undertaken. In such a campaign sufficient incentive should be offered to illiterate persons who become literate, such as paying a few naye paise more per day to labourers in government work if they sign their muster roll instead of putting their thumb print.

(6) *Education and Training*

Special attention should be given to educating and training the members of the weaker sections of the community for occupying key-posts in the block development programs, particularly in supervisory and higher grades. This will ensure satisfactory implementation of schemes approved by government for the benefit of the weaker sections.

Welfare Schemes

4.21. Samples analysis of personal income distribution in rural areas (*vide* para 2.4 of Chapter II) reveals that about 10 per cent of rural households have an income of less than Rs. 250/- per annum. They form the category of destitute families. Their position has been summed up by Shrimati Meenakshi Malya (University of Madras) as follows:

> "The percentage of female heads of households among the destitutes is high. In almost all such households, widowhood is the cause for it. In a few instances, desertion or disabled husbands necessitate the wives to shoulder the burden of the household. Thus the absence of male workers in the family is one of the chief causes of destitution. Another major problem of destitute households is old age. Of the total, the percentage of heads of age 55 years and over is significant. The proportion ranges from one-fifth to one-half of the total number of destitute households.
>
> Except in three villages (out of nine villages studied in Mysore, Andhra Pradesh, Madras and Kerala), caste and low income are not correlated. Harijans and persons belonging to socially backward communities are not necessarily associated with destitution in most of the villages. Besides the above mentioned problems, disability is fairly common among the members of a destitute household. Sickness is the main cause and in a few cases physical deformity prevents adult male members from being economically independent.
>
> When widowhood, old age, and sickness are the main difficulties, land grants or employment opportunities may not

provide the proper solution. Social Welfare schemes in the form of social security, old age pension and health insurance and free medical aid may help these destitute households in maintaining a minimum level of living."

4.22. We would suggest that special welfare measures be devised and implemented in regard to this category. The following are suggested for consideration:

(i) We understand that the Government of Uttar Pradesh has a scheme of old age pension introduced some time ago, and that Madras and Andhra Pradesh Governments propose to introduce one shortly. A similar old age pension scheme may be introduced by other State Governments.

(ii) A life insurance scheme for the benefit of families of agricultural labourers may be taken up by labour co-operatives. The guaranteed employment proposal made in Chapter III will facilitate this step. The idea recently mooted by the Chairman of the L.I.C. for a category of "mass insurance" schemes is also worth pursuing in this connection.

(iii) Social Welfare schemes being implemented by State Governments and other authorities seem to have an urban bias, except the welfare extention projects. In any case, their impact on destitutes in rural areas does not appear to be significant. We consider that a definite orientation of effort towards rural destitute households should be made.

CHAPTER V

ROLE OF COOPERATIVES

Agriculture and rural industries are two fields which have to sustain the bulk of the weaker sections of the community for quite some time to come. The broad patterns of ultimate organisation of agriculture we have formulated in Chapter III will take some time to develop. Immediately we have to face the problem of enabling the petty cultivators whether owners, tenants, or share-croppers, to survive and, if possible, develop. The cooperative field is put forward as the general panecea for this problem. We have devoted some thought to this and find that there are several procedural and financial restrictions which can be eased out on a calculated-risk basis, thereby leading to a substantial improvement in the situation.

5.2. Agricultural credit is now available through the cooperative organisation in the shape of credit for agricultural operations and supply of means of production like fertilizers, seeds, equipment, etc. The agriculturist gets his accommodation from primary cooperative credit societies which also sometimes duplicate the functions of a supply cooperative. Credit from these societies is mostly of the short-term variety and a fraction of the total credit is available as medium-term loans generally to be repaid after three years. For longer-credit for land improvement and for providing irrigation facilities the normal source is the Land Mortgage Bank.

5.3. Short-term credit was given in the past on the principle of credit worthy persons. This principle has since been changed to credit worthy purpose when it was realised that the real credit of the agriculturist in his produce and the old principle did not provide for this large creditworthiness of the average agriculturist. The new principle involves certain risks because in the general Indian agricultural economy depending mostly on rainfall, there is a periodic risk that the produce may not be sufficient to discharge the various liabilities of an agriculturist. The planners have agreed to provide for this risk in the shape of a risk fund contributed for by the Central and the State Governments on a 50:50 basis. The present distribution of risk during the Third Five-Year Plan is as follows:—

Rs. 30 lakhs spread over five years, to be shared equally between the Centre and the State calculated at the rate of 1% and 3% of the additional finance provided by the Central Cooperative Banks and primary credit societies respectively over the level of finance reached in 1960-61. This fund is supposed to pay losses accruing to primary societies giving loans for a credit worthy purpose when the season is so bad that the members are not in a position to repay the loan from the produce on an equitable basis.

5.4. The cooperative credit system is ultimately a banking system. The short-term cooperative credit, therefore, has to depend upon

prompt repayment of dues and the structure cannot bear any substantial bad debt charges. On the principle that the agriculturist must get his credit as cheaply as possible, working cost have been pared to the minimum but as the credit has to be supplied as near his house as possible, there is very little scope left for any large bad debt carry over. Primary societies had to discharge their short-term obligations and their instalments of medium term loan obligations promptly after the harvest season, if the society was to get further accommodation for the future year from the Central Bank. In order to inculcate a sense of responsibility, societies were not given further accommodation till their previous dues were paid to the last pie. As this in effect stopped agricultural credit for good in most primary societies, rules were relaxed to some extent to give further credit after allowing for the balance dues of the primary societies against its credit with the Central Bank, provided that the balance dues did not exceed ten per cent of the total loan.

5.5. The supply cooperatives provide credit mostly on the basis of advance applications supported by creditworthiness or a creditworthy purpose. A supply credit society linked up with a cooperative marketing organisation is in a position to take back its dues in kind and thereby provide some additional benefits to the cultivator who is generally exploited at the marketing levels in both supplies and sale of his produce. This is a system which has been found to have great potential for helping the agriculturist.

5.6. The Land Mortgage Bank gives loans strictly on creditworthiness. The loan is generally to an individual on the basis of his credit. The system can be exploited for credit to a cooperative farming society on the basis of the joint credit in order to provide for substantial improvements to the land and for provision of irrigation and other such facilities which will improve agriculture.

5.7. The petty cultivator is also mostly the cultivator of marginal lands. Where he is the owner or the tenant, he generally has the less fertile bits of land in the village, the better lands being in the possession of the economically strong. Where he is the share-cropper, he generally gets for cultivation the less fertile holdings of the economically strong cultivator who, if at all he cultivates his land himself, chooses the best land for his personal cultivation. If the share-cropper is to survive and make a future for himself, he should receive much more credit, and supplies on credit for agricultural production than the average cultivator.

5.8. Most of the petty cultivators dispose of most of their produce after harvest for repayment of debts. Before the next harvest comes in, they have to get credit not only for the agricultural production of the next season but also for the maintenance of the family during most of that season. The average requirement of short-term credit in this field is therefore much more than that of the average cultivators and the economically strong.

5.9. Cultivation of marginal lands and the present chronic indebtedness of this class make it difficult to apply the cooperative experiment on to this field without certain modifications which are not

strictly cooperative ideas. The risk of cultivation of marginal lands are already much more than that of lands in general. Even with the Risk Fund placed before the agricultural cooperative system, it is found that the risk of loss in marginal lands being quite heavy no primary credit society will undertake the risk of including this class of cultivators on the principle of creditworthy purpose. It was put before us forcefully, and we agree with the same, that the risk fund should be suitably augmented and societies which are prepared to undertake this risk should be helped suitably to cover this field. There is a merit in the approach to the problem from the point of raising agricultural production and strengthening the rural economy.

5.10. The chronic indebtedness which is the economic basis from which we start in this field, makes it impossible for the cooperative credit system to help the petty cultivator to improve his land or improve his agricultural practices or get out of a below subsistence level of economy. We can help him by either wiping out the present indebtedness so as to enable him to start from scratch or enable him to improve his land so that his economy may be stronger for the future. The latter, in our view, will be a sounder approach. For any system of cooperative organisation where ownership has a value, the low value of the land used by this class of cultivators will for all times put his at the lowest level of progress. To enable him to get the best out of any system his land value must increase. The State has to step in and give him the base from which there can be a jumping off to a better economy. The principle of subsidy already recognised in the handloom industry with which we deal further on, is a principle which can be translated to the agricultural field. The problem is no doubt vast but it has to be tackled.

5.11. The Third Five-Year Plan makes a provision of Rs. 150 crores for a Rural Works Program for giving employment to the unemployed and under-employed in the rural sector. This works program can be suitable oriented to meet the expenditure for improvement of the land of the petty cultivator. If the works program takes up land reclamation of these petty cultivators on a complete relief basis and also provides for small irrigation sources and contourbunding, ridging and such works which will be of benefit to the lands of the petty cultivator, the problem mentioned in the last paragraph will be substantively solved. Further on, we have suggested that some of the landless labour should be induced as petty cultivators by allocation of waste land. Such waste land can be improved similarly by schemes of land reclamation on a complete relief basis and provision of irrigation, etc. Thereby, some of the landless labour will be given a permanent footing in agriculture. We would strongly advocate the above approach to the problem.

5.12. Functional cooperatives for small village industries are an accepted form of credit system which can be of use to the small village artisan. Marketing cooperatives which arrange for the marketing of the production of the small artisan in the best market is another system which can also be of use. The best and the widest system of such cooperatives is the handloom cooperative system. The handloom primary cooperative provides yarn on credit to its members and

also provides credit for improvement of looms and other accessories. The Textile marketing cooperative (Apex Handloom Weavers' Cooperative) arranges for standardisation of output and arranges for the marketing of the cloth so produced. But in the practical working of this system it was found that there was an amount of difficulty. The handloom weaver was found to be a chronically indebted artisan exploited by the middlemen both in the supply of yarn to him and in the purchase of the production. Except when there was a boom in handloom cloth he lived at below the subsistence level and was not in a position to avail of the cooperative credit system without a sustained program of support.

5.13. Better equipment and better technique for the weaver was obviously the first remedy. As the artisan had no credit at all and improved technique and equipment was not expected to bring him upto the subsistence level in the foreseeable future, the State undertook the subsidising of this supply to the weaver. This has certainly increased the chances of his survival.

5.14 A member of a cooperative organisation has to put in a share capital and he gets a loan according to his credit capacity. The weaver had neither the share capital nor any credit capacity worth the name. The rehabilitation plan therefore provided the greater part of the share capital on behalf of the weaver and took it back in instalments from the profits made by the member. Credit was given by the cooperative on the capacity of produce and a certain amount of risk was covered in the rehabilitation scheme. All this has certainly helped the weaver to improve his position.

5.15 Except in the highly organized handloom organisations of the country, the marketing cooperative has not been very successful. The risks of business in carrying over stocks of doubtful quality has to a large extent made it difficult to organise a cooperative system. The State had to step in to ease the situation by forming textile marketing organisations which are generally run on a subsidised basis by the State. Even in the highly organised handloom organisations the competition from the textile mills has been so strong that the State has introduced a duty on the production of the large scale textile mills to pay a rebate on the handloom meterial. In addition to all this, it has been felt for some time now and the view had been forcefully expressed before us, with which we agree, that certain fields of production must be reserved for this rural industry if it is not to be completely swamped by large-scale mill industries.

5.16 The cooperative structure can come to the aid of the rural industries to some extent if the scope of the industry and the marketing problems are properly analysed. Rural industries can be broadly classified into the following groups:—

(a) Processing industries for agricultural produce to meet local consumption and marketing of the surplus to other consuming centres.

(b) Semi-processing of agricultural produce to supply large-scale production units with a view to saving on transport and utilising by-products in the rural area itself.

(c) Rationalising all production by artisans in the rural field by grouping artisans together, training them for improving production and providing them with common service facilities for increasing their production and also improving the quality.

(d) Grouping technical workers under machine and foundry units to take up standardised production of parts farmed out by large-scale industries.

Each of these programs requires a different approach.

5.17. Processing of agricultural produce for local consumption and marketing of surplus to other consuming centres can be tackled by the regional marketing societies already established. The marketing societies now undertake supplies of production requirements to the agriculturists. They can take back the produce from the agriculturist in payment for supplies or for better marketing. It is only one step forward for these marketing societies to put up their own processing industries to process the produce, supply local demand and market the surplus in the best possible way. As the scheme is one to help out the agriculturist it should be theoretically possible to extend Reserve Bank credit for agriculturists to meet the situation. This must be done quickly.

5.18. Semi-processing of agricultural produce can similarly be undertaken by the regional marketing societies through factories of their own. Oil-seeds of various kinds including the non-edible oil-seeds can be pressed and the oil exported instead of oil-seeds. This saves transport and also gives oil-cakes for local utilisation as manure and cattle feed. Here again, extension of Reserve Bank credit for such ventures would go a long way towards solving the problem.

5.19. The program suggested for the improvement of the handloom industry can be applied without much deviation to the production of any other groups of artisans in the rural areas. These production groups suffer from the same disabilities as the Handloom Weavers used to suffer. Forming cooperatives of the artisans who are located within a reasonable distance of a suitable centre and linking them up with a power unit at the centre would definitely improve the economics of such a group. The industries plan contemplates provision of such service centre and also provision for training in better methods. But if the Reserve Bank credit now given for the agricultural field can be extended to these artisans also through the cooperative banking structure there will be no need to confuse schemes and confuse sources of credit. The industries program has its limitations in the matter of the quantum of credit available for running expenditure. The Cooperative Banking system can extend credit according to the requirements of the problem without too much of red-tape. It is, therefore, suggested that for rural industrialisation similar credit to that given by the

Reserve Bank for agricultural production should be extended through a heirarchy of industrial banks in the cooperative field.

5.20. The weaker sections of the community comprising artisans and those who live by occupations such as, those of fishermen, are very much in the position of the handloom weavers. They are exploited in the supply of facilities for their occupation and exploited in the marketing of their produce. The cooperative structure by itself will not help them unless certain other facilities are also given to them as has been given to the handloom weavers. We, therefore, recommend a pattern of assistance through a cooperative system and State aid comprising:—

(a) membership payments of a cooperative supply agency initially to be made by the State and subsequently repaid from profits;

(b) better equipment on a subsidy basis to be provided by the State or through State help by the cooperative system;

(c) teaching of better technique at State expense;

(d) marketing facilities, if necessary, with State aid till the jumping off position is reached;

(e) protection from large industries or ventures in the same field by reservation of items of production or fields of production;

(f) limiting handicrafts to items of production where the artisan can show his individuality; and

(g) organisation of artisans as a group to take advantage of small machinery for bulk production of articles.

5.21. The Labour Cooperative idea has been suggested for organisation of labour in the rural field for providing them with more mandays of work. As explained elsewhere in this Report, the effect of improving the facilities for agriculture in the rural field may result in more under-employment for the landless labour. Whereas better irrigation facilities and facilities for double-cropping may increase the employment potential of the small landholders and their families, the landless labour, unless built in into the structure of agricultural employment, will find themselves out of a job. So, whatever we do, we must not disturb the employment potential for the landless labour in the agricultural field. This requires that a fairly large number of unskilled labour have to be given seasonal employment to fill in the period of unemployment and under-employment normally faced by the agricultural labour. This labour cannot be organised in fixed groups for any length of time as members have each their various responsibilities of a fixed nature to the other employers, which employment they cannot afford to loose.

5.22. The Rural Works Program, if suitably worked, can solve the problem mentioned in the last paragraph. If the Works Program is prepared in advance for a Panchayat Samiti area after taking into consideration the amount of under-employed labour

that can be gathered for the local works in the off-season, it will be possible to work in advance a program of employment of the under-employed labour. The labour in such cases will be attached to their present location of employment and will get remunerative work in the off-season from the works program. We would advocate that the Panchayat Samitis should be brought into this program actively and asked to plan out the minimum employment program for every landless labourer who wants seasonal employment when his normal employer is unable to give him work.

5.23. With agricultural improvement, the tendency to throw out landless labourer is being accentuated and this trend cannot be stopped. We have, therefore, to provide for alternative employment to the landless labour. The labour cooperative movement in the Punjab gives the answer to the problem. Labour cooperatives are organised for work all the year round. The cooperative groups get technical advisers from the Central Union. Such an organisation can attract surplus labour in the rural field and give them continuous employment. These labour cooperatives will suffer from the same basic disabilities as have been found in the cooperatives of handloom weavers. They do not have the wherewithal to invest any share capital. They do not have the basic equipment for organising themselves into a group for taking up contracts. They do not have the working capital for carrying on the work till payments are made to them for the work done. The labour organisation proposed for tackling this problem should therefore provide for all these basic requirements. If the cooperative system cannot find the funds for this risk, the State Government will have to undertake the risk. Details relating to the working of the Labour Cooperatives in the Punjab have recently been circulated by the Ministry of Community Development and Cooperation to all the State Governments. We commend the Punjab pattern.

Cooperative Farming:

5.24. Cooperative Farming has been suggested as a means of improving agricultural lands of the weaker sections of the community. The policy for aid to cooperative farming societies has been communicated to the State Governments by the Ministry of Community Development and Cooperation. The membership of the Cooperative Farming Societies is to be confined to those who are prepared to work on the farm or on its ancilliary activities; the bulk of the members should be small farmers or landless cultivators or both. Absentee landholders taken as a group should not exceed one-fourth of the total membership of the society. Lands should not exceed one-fourth of the total membership of the society. Lands should be pooled by the members for a minimum period of 5 years. A suitable return should be given to the members for the land pooled by them. We have to examine how far this structure can benefit the weaker sections of the community. The weaker sections in the agricultural field comprise the small landholders, generally owing the marginal land and landless labour. The above policy does not in any manner improve the position of the landless labour. They do not appear to have any share in the profits and improvements. Any scheme for improvement of land on a medium-term

loan, basis takes four to five year for completion. The medium term loan being repayable in a period of five years, the profits of the first five-year period will go mostly for the repayment of the loans. The scheme really begins to yield benefit for the sixth year onwards. The present policy may well result in a situation in which the larger cultivators having got full benefit out of the cooperative venture by getting common funds for general improvemnt of their lands, will try to get away from the cooperative when the benefits have really to be distributed to the other members. We feel that this is a basic defect which must be rectified. Unless there is a compulsion to stay in the pool for at least ten years, the benefits accumulated by the end of the program will ultimately benefit only the stronger section.

5.25. We therefore recommend that the following conditions and facilities should be given to cooperative farming societies:—

(i) The pooling of land should be for a minimum period of *ten* years;

(ii) loans should be provided to enable farm labourers to take shares in cooperative farming societies;

(iii) as a general principle, 40% of the produce (after meeting interest, revenue, labour, and other charges) should be disbursed to those who have contributed land to the co-operative; 40% to labour; and the remaining 20% should go to reserve.

5.26. This should give an incentive to landless labour to contribute to the pool by more efficient work. But even this suggestion does not meet the criticism that the benefits accruing to the land under cooperative farming because of State aid would ultimately go to the stronger sections and only to a very limited extent to the weaker sections. For, the capital that the State purposes to invest in these societies in irrigation, land improvement, etc., will ultimately improve the quality of the land in the farm, the benefit from which goes entirely back to the land-owners when the co-operative is broken up. Also, the improvement schemes generally benefit the better lands to a larger extent than the marginal lands. So, the tendency will be for the stronger sections to withdraw from the cooperative as soon as they have gained the maximum benefit possible under the scheme. Unless the improvement accruing is shared by the landless labour, who are partners in the venture, the scheme will not do social justice. We would suggest a solution. The land originally pooled should be valued on a certain unitage based on production, and it should again be valued on a similar unitage basis after the improvements have been effected. If the improvements have been planned and executed properly, there is bound to be a substantial increase in the unitage of the farm. Our view is that the landless labour should get a fair share out of this increased unitage. One suggestion is to allot the extra unitage to the landless labour alone. Another is to divide it between the land-owners and the landless, in the proportion of 1/3 to the land-lords and 2/3 to the labour. The latter in our view would be a fairer solution. As the unitage also has relation to land, the landless labour will become owners of the corresponding units of land in the farm at the end of the improvement period.

5.27. There has been a fear expressed by some witnesses, whose views deserve consideration, that joining of big landholders, small landholders and landless labour in one cooperative will only lead to the exploitation of the small landholders and the landless labour by the richer sections. They say that this fear is not imaginary, but can be seen in the domination of the village life by certain small groups of influential landlords. According to them, the problem has to be attacked from three different angles—one for larger landholders, another for small landlords and the third for the landless labour.

5.28. For improving agricultural production, Government propose to encourage cooperative farming comprising landlords, small and big, and help them with funds. The objective is rapid improvement of the land and its production. It is pointed out that the credit organisations now existing in the country are fully able to meet the needs of the creditworthy. The bigger landlords being creditworthy, it is open to them to secure funds from the Land Mortgage Banks and such institutions for improving of their land. Instead, they utilise their creditworthiness for doing other business elsewhere and draw upon the cheap credit given for agricultural improvement by the various schemes formulated in the Plan. It is pointed out that in view of the paucity of funds for agricultural development is not desirable to help the larger cultivators with these schemes, but force them to utilise their creditworthiness for agricultural development. A proposal has been mooted that larger agriculturists should be made to invest a part of their earnings from the land in land improvement. This can be hastened by the imposition of an improvement surcharge which can be waived if a certain volume of investment is made per acre of the land surcharged. We feel that there is great weight in this criticism that the schemes help the larger cultivators to divert funds, which they should normally invest in land, to the detriment of the small landholders. It is also from this aspect that we feel that the policy of cooperative farming needs re-examination.

5.29. We would suggest that the small landholders should be helped to join together and form a cooperative society of their own. Improvement of their lands, mostly marginal, is impossible, unless all the land can be taken in one common lot where development can be done easily. To face this difficulty of fragmented and scattered holdings, we would suggest that wherever the small landholders are willing to join together, there should be consolidation of holdings and their holdings should also be consolidated in one compact part of the village. This will enable the full benefit of the development scheme reaching these small landholders. This in our opinion is an aspect of the matter worth pursuing. If such consolidation is not done, or where such consolidation does not lead to a fairly large block where development can be done economically, the only other possibility of helping such landholders is through service cooperatives. There can be a criticism that adding up of the land of small landholders in a village may not given an area compact and large enough for proper development. It is pointed out that the paucity of funds for agricultural improvement limits our field of action. Therefore, a pilot scheme can be started in these villages where small landholders own a large extent of land. This will at

least give the experiment a surer foundation till other reactions enable us to link up the big and the small.

5.30. Landless labour have no place in the cooperative society envisaged. In waste-lands settlements and settlement of land under the control of the State in the past, there was preference for the landless. But subsequently on the plea that cooperative farming should be encouraged, States are laying down the policy that such land in future will be allotted only to cooperatives. There is a danger in this proposal as cooperative are generally formed of those having land and many of the landless will not have an opportunity to get any land at all. Further, the very idea that land in a cooperative farm should be cooperatively owned has been given up in the policy formulation for cooperative farming because under the present conditions in the country, land-hunger and the desire to own land as an individual has to be given a due place in our plan. We, therefore, feel that the landless should be given the land available with Government, be persuaded to form into a small landowners' cooperative, and helped by direct State aid to form themselves into such cooperatives for improving the productivity of their land.

CHAPTER VI

ROLE OF PANCHAYATI RAJ INSTITUTIONS IN SECURING THE WELFARE OF THE WEAKER SECTIONS

The following observations of the U.N. Mission on C.D., 1959, outline the emerging pattern:—

> "It is a Directive Principle of the State Policy that the State shall take steps to organise village panchayats and endow them with such power and authority as may be necessary to enable them to function as units of self-government. Under the Second Five Year Plan the scope of panchayats was extended from being a unit of self-government to also being a unit of development. Rural progress depends entirely on the existence of an active organisation in the village which can bring all the people—including the weaker sections into common programs to be carried out with the assistance of the administration. It is this association of all sections of the village population with the panchayat on the one hand and development programs on the other which makes these central village institutions a fundamental element in the people's participation in community development."

6.2 The panchayati raj institutions have been charged with the responsibility of planning and development. They are no longer only an agency of some other authority that is responsible for development. Under decentralised democracy, it is their business to develop the village community, in particular, the weaker sections of it which form the majority. It should therefore be the responsibility of the panchayat and Panchayat Samiti, each in its own sphere of duties, to plan and execute appropriate schemes for this purpose making the maximum use of the resources available. The whole bias of panchayati raj institutions has to be towards the weaker sections of the village community.

6.3. We, therefore, do not favour the recommendation made by the Conference of State Ministers of Community Development in December, 1960, that "separate sub-committees of the panchayat samitis and panchayats with adequate powers should be constituted to look after this item of work". This certainly is not to be regarded as an "item of work". It is really the work in community development. It should be the duty of every sub-committee as well as of the panchayats and panchayat samitis themselves to assume this res-

ponsibility. In short, responsibility should be vested in the village panchayats in regard to:

(i) providing full employment either in the works programs of the panchayats themselves, or by the utilisation of idle manpower in public works under the proposed government's guaranteed employment scheme. A register of unemployed should be kept, and where employment has to be found outside, the sarpanch/president should take it up with the panchayat samiti;

(ii) providing the minimum essential social services needed by the village community.

We understand from one of our members who was on the Bombay Government's delegation to Japan in 1951 that the village governments in Japan are decentralised units of government and are responsible for securing a prescribed minimum of agricultural production in every village and providing to all villagers full employment as well as minimum full employment as well as a minimum income. We should also aim at vesting similar responsibility to our panchayats and providing them the necessary resources.

6.4. We consider that there should be evaluation of the progress made every year. This evaluation should be made by the panchayat samitis, initially through a sub-committee formed for the purpose consisting of a majority of outsiders. The Panchayat Samiti and the Zilla Parishad should in turn review the progress made and take remedial action in regard to the defects and deficienc es pointed out. In addition, the evaluation of the effects of economic development on the weaker sections of the rural population, should be one of the main functions of the Program Evaluation Organisation of the Planning Commission.

6.5. We make the following additional recommendations:

(i) Panchayats should help the economically weaker sections of the community to become members of cooperative societies by making available financial resources to enable them to purchase shares in cooperative societies, e.g.,

(a) Panchayats can provide grant or loan for this purpose. If the panchayats given grants, we recommend that the necessary matching contribution may be made either by the panchayat samitis or by the state Government to the panchayats.

(b) Funds should be provided under the scheduled castes and scheduled tribes schemes to panchayats to enable them to help a certain number from these sections of the community every year to become members of cooperative societies.

(ii) Panchayat Samitis should be empowered to waive the condition regarding the people's contribution or suitably to reduce it having regard to special circumstances and hardships. The principle should be that working labourer should be paid his wages.

CHAPTER VII

ORGANISATIONAL SET UP AT THE CENTRE AND THE STATES

We have repeatedly emphasised that the primary role of the community development organisation is to promote community development. Its additional role as a "common agency" of all development departments should subserve the main purpose of transforming the socio-economic life of the rural community. We therefore consider that the existing organisation at the centre in the Ministry of Community Development and the Development Commissioners' set-up in the States should be responsible for promoting the welfare of the weaker sections of the village community. Their annual reports should specifically cover this subject and should be reviewed initially by a sub-committee of the Cabinet and later by the Informal Consultative Committee of the Legislature at the Centre and the States.

7.2. Secondly, we consider that there should be the closest consultation and coordination between all the Central Ministries concerned with rural development and welfare. For this purpose, we would recommend the constitution of a committee consisting of representatives of the Ministry of Community Development and Co-operation, Ministry of Food & Agriculture, Ministry of Commerce and Industry, Ministry of Education, Program Evaluation Organisation, Ministry of Home Affairs and the Commissioner for Scheduled Castes and Scheduled Tribes. This committee should be responsible for ensuring effective implementation of programs, removing defects and deficiencies pointed out in the evaluation reports and otherwise, and charging the development programs with the necessary dynamism and vision.

New Delhi.
12-10-1961.

JAYA PRAKASH NARAYAN,
SUCHETA KRIPALANI,
M. R. KRISHNA.
BRAJRAJ SINGH,
L. M. SHRIKANT,
R. JAGANNATHA,
Secretary.

SUPPLEMENTARY NOTE

While agreeing with the recommendations of the Group in general, I wish to stress one point. Nowadays, "Means test" is becoming the vogue. Although it is a welcome step that the Group has not accepted it for giving educational assistance to Scheduled Castes and Scheduled Tribes, yet in my opinion it should go further. Till such time as the weaker sections attain the level of those already advanced, posts in services, trade and industry should be reserved for them. In my opinion, 60% of all posts in services and business should be reserved for the weaker sections. I wish that the Group had recommended this. This however, is my firm view, and Government should give it serious consideration.

BRIJ RAJ SINGH,
12-10-61.

SUMMARY OF MAIN CONCLUSIONS AND RECOMMENDATIONS

Objectives and approach

The uplift, welfare, and emancipation of the weaker sections cannot be accomplished without a comprehensive non-violent Social Revolution, encompassing all facets of Indian Society. A distinguishing feature of the Indian revolution must be the destruction, root and branch, of the caste system, without which the bulk of the weaker sections can never come into their own.

Size of the problem

2. About 80% of the rural households have an income of less than Rs 1,000 per annum, and 50%, who form the lower rung of the ladder, have an income of less than Rs. 500 per annum. This lower rung comprises agricultural labourers, and cultivators with very small landholdings, artisans and small craftsmen and, at the lowest level, destitutes with no means of livelihood at all.

3. A Means Test is suggested. Families whose income is less than say Rs. 1,000/- a year would cover cases of chronic economic backwardness. Following Gandhiji's concept of "Antyodaya", within this low income classification, priority of assistance should be given to those families whose income is less than Rs. 500/- a year. A beginning should be made from the lowest rung of the ladder. Lastly, families whose income is less than Rs. 250/- per annum should be regarded as destitutes.

The entire Scheduled Castes and Scheduled Tribes may be regarded as forming part of the weaker sections and means test if necessary in their case.

Minimum requirements

4. The following requirements must be fulfilled in order that the weaker sections are assured a minimum level of well-being and their rightful place in society:

1. Full employment;
2. Housing and drinking water;
3. Education;
4. Health;
5. Protection from economic exploitation;
6. Freedom from social and cultural disabilities;
7. Reform and Prevention of Wasteful and Ruinous Habits and Customs.

Agriculture

5. Petty holdings, which are far greater in number, are responsible for keeping both agriculture and the majority of the cultivators in a chronically depressed condition. Here is an obstinate socio-economic disease that calls for a radical remedy. Village ownership and management of land is the only complete answer to the problems of our agriculture at once from the point of view of social justice and of development of agriculture and preparing favourable conditions for rural industrialisation. The following two recommendations are made in that connection:

(a) One of the objectives of Community Development is

"to develop a spirit of community life among the people by promoting cooperation and mutual sharing, leading ultimately to voluntary community ownership of the basic means of production, such as land...."

This objective has not received the attention from the C.D. Organisation and its non-official collaborators and supporters as it deserved. We, therefore, recommend that encouragement and promotion of common ownership of land be taken up as a prominent part of the educative and reorientation work of the Organisation and all its ancillary bodies.

(b) The C.D. Ministry should institute a scientific study of a suitable programme of villagization of land by legislation as a means both of social justice and agricultural and industrial development.

Employment in a Public Works Program

6. Government should undertake—and make a declaration to that effect—to guarantee employment to every citizen who is prepared, and fit, to do manual labour. Such guarantee and declaration would work a psychological transformation and lift up the pall of despair and discouragement that overshadows millions of Indian homes. It might, indeed, prove to be the spark to kindle the energies of a somnolent giant.

Rural Industries

7. Rural industrialisation is the supreme requirement both for lifting the rural economy from the morass it has fallen into as also for raising the standard of living of the economically and socially weak. It should be rated higher than agriculture because, though agricultural development is necessary for industrial growth, there is a limit to its growth and to the pace of it. Industrialisation on the other hand, whether rural or urban, is capable of rapid and large expansion. Rural industrialisation is not to be conceived of as being limited to what are termed at present as "rural industries" or to merely agricultural processing industries. There can be and should be an unlimited variety and an even spread of industries throughout the countryside. At present there is no single authority

at any level whose particular responsibility it is to think, study, plan and act in this behalf. Rural industrialisation must be viewed as a single integrated program and not be dealt with piecemeal by different agencies, even though they may coordinate their activities. Government of India should, therefore, create (out of the existing bodies, or by establishing a new one) a single comprehensive Authority, with the necessary powers and resources and charged with the responsibility of rapidly industrialising the rural areas.

Education

8. The following facilities should be provided:

(1) Subject to a "means test", free education upto Higher Secondary stage;

(2) Subject to a "means test", free board and lodging in mixed hostels for students upto the Higher Secondary stage;

(3) Scholarships for higher education subject to competence qualification;

(4) Mid-day meals for all children in the primary classes;

(5) Free dress, slates, pencils and books for pupils of the primary classes from the weaker sections.

9. The village school has to integrate itself with the community. Its teachers and students must participate in the community activities—in transplanting, harvesting and tree-planting, composting, dramatics, sports, festivals, adult education, etc. The Primary Schools should be the responsibility of the Panchayats and the Middle Schools of the Samities.

Health

10. One way of overcoming the shortage of doctors in rural areas would be to obtain a bond from all students who are admitted to Government Medical Institutions that they would, if required, serve in rural areas for a period of at least 2 years after their graduation. (A similar step may be followed in regard to over-coming shortages in regard to other technical personnel). We would also recommend grant of rural allowance to all doctors incharge of primary health centres.

11. The village community should be educated to feel its responsibility towards the medical care of those who might be indigent, disabled to work, orphans etc. For this purpose, every Village Panchayat, through voluntary contributions, should create a fund with which to assist helpless persons in times of illness.

12. In view of the fact that State Health Services are likely to remain inadequate for a considerable period as also with a view to further the basic aim of people's self Government and self-reliance, voluntary as well as State agencies should encourage and help the people to form their own Health Insurance Societies. The State Government should assist these societies on a half-and-half basis. The existence and operation of these societies should exercise a

healthy influence upon the State Services and private practitioners.

Drinking water

13. In some States, assistance for well-construction is conditional on the beneficiaries providing a suitable plot of land. More often than not, Harijan families do not have any such land. Where drinking water is concerned, no conditions should stand in the way of its supply, and it should be the duty of the State (again counting the Panchayati Raj Institutions) to see that a source of pure drinking water supply is within the easy reach of every one in the rural area.

Protection from economic exploitation

14. The weaker sections suffer from a virulent form of economic exploitation at the hands of money-lenders and traders. The only effective manner in which this evil can be fought is by organising and extending as fast as possible, cooperative credit, production and marketing. The cooperative movement has here a great challenge to answer.

Freedom from Social disabilities

15. School teachers at the orientation courses, should be impressed with the necessity of inculcating in their students the values of human equality. In all the three bodies of Panchayati Raj, there should be committees to deal with questions relating to the scheduled castes (and tribes where they exist). These committees should exercise vigilance in respect of social disabilities also.

16. The caste of scavengers must immediately be emancipated—

(a) head carrying of night soil should be prohibited by law;

(b) old latrines should be converted as soon as possible into septic flush latrines and no new house should be permitted to be built unless it provides for a septic latrine.

The necessary financial assistance to individuals and municipalities should be provided as a measure of urgent national development.

17. The largest single wasteful habit of the weaker sections is that of drink. State policy in regard to prohibition, therefore, should be carried out with greater vigour and efficiency in the entire rural area of the country. Official and non-official agencies should both join their talents and resources to wage this campaign effectively.

C. D. Program

18. Community Development should be regarded not only as a means but also as the *end*. The C. D. programme, as well as the funds allotted to it in the schematic budget should, therefore, have a single focus, *viz.* developing the village community.

19. The improvement of the economic condition of the weaker sections cannot be brought about by the efforts of the weaker sections alone. The community as a whole should cooperate in this endeavour and its equally necessary to reorient the outlook of the

more well-to-do sections who have a distinct role to play in view of their better social, cultural and economic condition.

20. Having regard to the national priorities laid down in the Third Five Year Plan, the funds under grants and loans should, as a rule, be devoted only to schemes involving community participation specially benefiting the weaker sections, besides extension work including demonstration. Schemes to give financial benefit to individual well-to-do farmers should be discouraged. Where the nature of the scheme is such that only individual assistance could be given, it should be given to members of the weaker sections, starting with families having an annual income of less than Rs. 500|- with priority to those belonging to Scheduled Castes and Scheduled Tribes.

21. Funds for staff quarters which are no doubt necessary, should not form part of the funds provided for community development. They should be provided for from other sources, for instance as loan from the Life Insurance Corporation.

22. In order to achieve uniform development in all the blocks, it would be desirable to give a further measure of assistance to specially backward areas and in areas or blocks where there is a larger concentration of economically weaker sections. A specified amount say Rs. 10,000|- (loan Rs. 5,000|- and grants-in-aid Rs. 5,000) should be pooled from each block and kept as a reserve or equalisation fund at the district. The Zila Parishad could then examine the position of each such backward area and allot supplementary funds from this reserve.

23. Consequential on decentralisation of authority there is need for removing the uncertainty in the Panchayat Samiti's mind as to the quantum of funds which it is likely to get year to year from the Community Development budget. As the Community Development budget is a five year budget, it would help if the Panchayat Samiti is given power to spend upto a ceiling of one-fifth of its five year allocation of Block loans and grants every year and to adjust the expenditure towards the termination of stage I or II as the case may be. Without such certainty, the block Samiti's initiative for planning effort is dimmed for a certain period every year until annual budget allotments are received from the State headquarters months after the commencement of the financial year, even though some *ad hoc* arrangements operate in the States for incurring expenditure pending such allotment.

Other Departmental Programs

24. In regard to loan-funds given for productive schemes in Agriculture, Irrigation, Animal Husbandry, Fisheries & Small Scale Industries the rules for the grant of loans and subsidies should be liberalised in favour of the weaker sections and they should be given priority in the allotment of funds. Also the quantum of aid should be equal to the requirements of the productive purposes for which they need the aid. In most cases, it is insufficient and the poor farmers are driven to the money-lender for the balance. The requirement of two sureties may be dispensed with where the scheme for which the loan is sought is part of the accepted Village production plan.

25. In regard to the social services schemes, the bulk of them should be applied to the benefit of the weaker sections. In the Third Five Year Plan, certain minimum amenities have been indicated as essential for every village *viz.* drinking water supply, school, and road communication from the village to the nearest main road or railhead. These minimum amenities should be made available as first priority especially in the areas occupied by the Scheduled Castes and other weaker sections in the village.

26. Provision for rural housing should be utilised exclusively for the weaker sections.

27. As regards Local Development Works, the bulk of these should be applied to areas occupied by the weaker sections allowing such special reduction in the scale of people's contribution as may be decided by the Panchayat Samitis concerned.

Special Schemes

28. *Irrigation and Land development.*—Attempts may be made to bring together lands of the weaker sections of the community in one block by exchange with other owners through consolidation processes. Thereafter, a higher rate of subsidy may be paid to the weaker sections for digging irrigation wells. Each well will irrigate land of ore than one person, as ordinarily the weaker sections have very small holdings. In the alternative, Panchayats may assume the obligation of providing irrigation wells and recover the cost in easy instalments from the cultivators. The same procedure may be followed in regard to reclaiming and developing the marginal holdings of the weaker sections.

29. In the preparation of village production plans, the problems of the cultivators of marginal holdings should be studied and specific programs prepared for helping them. Where landless labourer is resettled on land, a subsistence allowance should be given to him until the first crop is harvested and he is able to stand on his own.

30. Demonstration of improved agricultural practices should, as far as possible, be taken up in lands belonging to the small cultivators. Loss, if any, should be reimbursed to the cultivators.

31. *Milk Supply Schemes.*—A deliberate effort should be made to link agricultural labour with the program of milk production and supply. This is feasible particularly in the rural areas which are proposed to be linked with urban markets through Government sponsored milk production and distribution programs. At least 25 per cent of the plan outlay provided for developing milk and poultry production in rural areas should be utilised for the benefit of the landless agricultural labour.

32. *Poultry development schemes.*—A short period of training should be arranged in modern methods of poultry-keeping on a wide scale, so that a large number of persons can be trained; supply of improved variety of cocks for upgrading local birds, poultry feed

at subsidised rates, and help from the block organisation for marketing eggs.

33. *Development of piggery.*—Many families among the weaker sections of the community would take to this occupation if sufficient help is given. Supply of improved types of animals and also supply of pig feed at subsidised rates in the initial period should be arranged. If necessary, help will have to be given through block organisation in marketing the produce.

34. *Literacy.*—A literacy campaign aimed especially at the weaker sections of the community should be under taken. In such a campaign sufficient incentive should be offered to illiterate persons who become literate, such as paying a few naye paise more per day to labourers in government work if they sign their muster roll instead of putting their thumbprint.

35. *Education and Training.*—Special attention should be given to education and training the members of the weaker sections of the community for occupying key-posts in the block development programs, particularly in supervisory and higher grades. This will ensure satisfactory implementation of schemes approved by government for the improvement of the weaker sections.

Welfare Schemes

36. The following welfare measures are suggested for consideration:—

(i) The Government of U.P. has a scheme of old age pension introduced sometime ago, Madras and Andhra Pradesh Governments propose to introduce one shortly. A similar scheme may be considered by other State Governments.

(ii) A life Insurance Scheme for the benefit of families of agricultural labourers may be taken up by labour cooperatives. The guaranteed employment proposal made in Chapter III will facilitate this step. A "mass insurance scheme" may also be considered.

(iii) Social welfare schemes being implemented by State Governments and other authorities seem to have an urban bias. Orientation of effort towards rural destitute households is necessary.

Role of Cooperatives

37. The risks of cultivation of marginal lands are much more than that of lands in general. Even with the risk fund placed before the agricultural cooperative system, the risk of loss in marginal lands being quite heavy, no primary credit society will undertake the risk of including this class of cultivators on the principle of credit worthy purpose. The risk fund should be suitably augmented and societies which are prepared to undertake this risk should be helped suitably.

38. The chronic indebtedness makes it impossible for the co-operative credit system to help the petty cultivator to improve his lands or improve his agricultural practices or get out of a below subsistence level of economy. The State has to stop it and give him the base from which there can be a jumping off to a better economy. The rural works program can be suitably oriented to meet the expenditure for improvement of the land of the petty cultivator. If the works program takes up land reclamation of these petty cultivators on a complete relief basis and also provides for small irrigation sources and contour-bunding, ridging and such works which will be of benefit to the lands of the petty cultivator, the problem will be substantively solved. Waste lands on which the landless are resettled can also be improved similarly by schemes of land reclamation on a complete relief basis and provision of irrigation, etc. made.

39. Processing of agricultural produce for local consumption and marketing of surplus to other consuming centres can be tackled by the regional marketing societies already established. The marketing societies now undertake supplies of production requirements to the agriculturists. They can take back the produce from the agriculturists in payment for supplies or for better marketing. It is only one step forward for these marketing societies to put up their own processing industries to process the produce, supply local demand and market the surplus in the best possible way. As the scheme is one to help out the agriculturist it should be possible to extend Reserve Bank credit for agriculturists to meet the situation.

40. Semi-processing of agricultural produce can similarly be undertaken by the regional marketing societies through factories of their own. Oil-seeds of various kinds including the non-edible oil-seeds, can be pressed and the oil exported instead of oilseeds. This saves transport and also gives oil-cakes for local utilisation as manure and cattle feed. Here again, extension of Reserve Bank credit for such ventures would go a long way towards solving the problem.

41. The program suggested for the improvement of the handloom industry can be applied without much deviation to the production of any other group of artisans in the rural areas. These production groups suffer from the same disabilities as the Handloom Weavers used to suffer. Forming Cooperatives of the artisans who are located within a reasonable distance of suitable centre and linking them up with a power unit at the centre would definitely improve the economics of such a group. The industries plan contemplates provision of such service centre and also provision for training in better methods. But if the Reserve Bank credit now given for the agricultural field can be extended to these artisans also through the cooperative banking structure there will be no need to confuse schemes and confuse sources of credit. The industries program has its limitations in the matter of the quantum of credit available for running expenditure. The Cooperative banking system can extend credit according to the requirements of the problem without too much of red-tape. It is, therefore, suggested that for rural industrialisation similar credit to that given by the Reserve Bank for agricultural production should be extended through a heirarchy of industrial banks in the cooperative field.

42. The weaker sections of the community comprising artisans and those who live by occupations such as, those of fishermen, are very much in the position of the handloom weavers. The cooperative structure by itself will not help them unless certain other facilities are also given to them as has been given to the handloom weavers, *e.g.*:

(a) Membership payments of a cooperative supply agency initially to be made by the State and subsequently repaid from profits;

(b) better equipment on a subsidy basis to be provided by the State or through State help by the cooperative system;

(c) teaching of better technique at State expense;

(d) marketing of facilities, if necessary, with State aid till the jumping off position is reached;

(e) protection from large industries or ventures in the same field by reservation of items of production or fields of production;

(f) limiting handicrafts to items of production where the artisan can show his individuality; and

(g) organisation of artisans as group to take advantage of small machinery for bulk production of articles.

43. If the Rural Works Program is prepared in advance for a Panchayat Samiti area after taking into consideration the amount of under-employed labour that can be gathered for the local works in the off-season, it will be possible to work in advance a program of employment of the under-employed labour. The labour in such cases will be attached to their present location of employment and will get remunerative work in the off-season from the works program. Panchayat Samities should be brought into this program actively and asked to plan out the minimum employment for every landless labourer who wants seasonal employment when his normal employer is unable to give him work.

44. Details relating to the working of the labour cooperatives in the Punjab have recently been circulated by the Ministry of Community Development and Cooperation to all the State Governments. This movement has great potential for benefiting the landless labour, who are one of the weakest sections of the community.

Cooperative Farming

45. The following conditions and facilities should be given to cooperative farming societies:

(i) The pooling of land should be for a minimum period of *ten* years;

(ii) loans should be provided to enable farm labourers to take shares in cooperative farming societies;

(iii) as a general principle, 40% of the produce (after meeting interest, revenue, labour, and other charges) should be distributed to those who have contributed land to the co-operative; 40% to labour; and the remaining 20% should go to reserve.

46. The land originally pooled should be valued on a certain unitage based on production, and it should again be valued on a similar unitage basis after the improvements have been effected. If the improvements have been planned and executed properly, there is bound to be a substantial increase in the unitage of the farm. It should be divided between the landowners and the landless in the preparation of one-third to the landholders and two-thirds to labour. As the unitage also has relation to land, the landless labour will become owners over these units of land in the farm at the end of the improvement period.

47. Large agriculturists should be made to invest a part of their earnings from the land in land improvement. This can be hastened by the imposition of an improvement surcharge which can be waived if a certain volume of investment is made per acre of the land surcharged.

48. Small landholders should be helped to join together and form a cooperative society of their own. Improvement of their lands, mostly marginal, is impossible, unless all the land can be taken in one common lot where develcpment can be done easily. To face this difficulty of fragmented and scattered holdings, it is suggested that wherever the small landholders are willing to join together, there should be consolidation of holdings, and their holdings should all be consolidated in one compact part of the village. This will enable the full benefit of the development schemes reaching these small landholders. A pilot scheme can be started in those villages where small landholders own a large extent of land. This will at least give the experiment a surer foundation till other forces reacting enable us to link up the big and the small.

49. The landless should be given waste lands available and be persuaded to form themselves into a small landowners' cooperatives and be further helped by direct State aid for improving their land production.

Role of Panchayati Raj

50. The whole bias of panchayati raj institutions has to be towards the weaker sections of the village community. Responsibility should be vested in the village panchayats in regard to:

(i) providing full employment either in the works programs of the panchayats themselves, or by the utilisation of idle manpower in public works under the proposed government's guaranteed employment scheme. A register of unemployed should be kept, and where employment has to be found outside, the sarpanch should take it up with the panchayat samiti.

(ii) providing the minimum essential social services needed by village community.

51. There should be an evaluation of the progress made every year. This evaluation should be made by the panchayat samitis. In addition, the evaluation, of the effects of economic development on the weaker sections of the rural population should be one of the main functions of the Program Evaluation Organisation of the Planning Commission.

52. Panchayats should help the economically weaker sections of the community to become members of cooperative societies by making available financial resources to enable them to purchase shares in cooperative societies, *e.g.*:

(a) Panchayats can provide grant or loan for this purpose. If the panchayats are given grants, the necessary matching contribution may be made either by the panchayat samitis or by the state governments to the panchayats.

(b) Funds should be provided under the scheduled castes and scheduled tribes schemes to panchayats to enable them to help a certain number from these sections of the community every year to become members of cooperative societies.

53. Panchayat samitis should be empowered to waive the condition regarding the people's contribution or suitably to reduce it having regard to special circumstances and hardships. The principle should be that a working labourer should be paid his wages.

Organisational set up

54. The existing organisation at the centre in the Ministry of Community Development and the Development Commissioners' set up in the States should be responsible for promoting the welfare of the weaker sections of the village community. Their annual reports should specifically cover this subject and should be reviewed initially by a sub-committee of the Cabinet and later by the Informal Consultative Committee of the Legislature at the Centre and the States.

55. There should be the closest consultation and coordination between all the Central Ministries concerned with rural development and welfare. A committee may be constituted consisting of representatives of the Ministry of Community Development and Cooperation, Ministry of Food & Agriculture, Ministry of Commerce and Industry, Ministry of Education, Program Evaluation Organisation, Ministry of Home Affairs and the Commissioner for Scheduled Castes and Scheduled Tribes. This committee should be responsible for ensuring effective implementation of program, removing defects and deficiencies pointed out in the evaluation reports and otherwise, and charging the development program with the necessary dynamism and vision.

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